

17490 -B

RECORDATION NO. FILED 1425

PEPPER, HAMILTON & SCHEETZ

AUG 21 1991 - 10 05 AM

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RECORDATION NO. 17490 FILED 1425

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INTERSTATE COMMERCE COMMISSION

August 21, 1991

DOCUMENTS FOR
RECORDATION

AUG 21 1991 - 10 05 AM

INTERSTATE COMMERCE COMMISSION

1-2334612

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Secretary Strickland,

Enclosed for recordation with the Interstate Commerce Commission pursuant to Section 11303 of Title 49 of the U.S. Code, and regulations promulgated thereunder, are five original counterparts of a Memorandum of Lease Agreement, a primary document, dated August 1, 1991, an Equipment Trust Agreement, a secondary document, dated August 1, 1991, and Lease and Equipment Trust Agreement Supplement Number 1, a secondary document, dated August 21, 1991.

The names and addresses of the parties to the documents are as follows:

Lessor: Meridian Trust Company
35 North Sixth Street
Reading, PA 19603

Lessee: Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, PA 19103

The equipment affected by the documents consists of 2,810 rebuilt railcars specifically described in the Lease Agreement.

Counterparts - Susan Kellman

16. AUG 21 1991

EXECUTION COPY

17490 -A
RECORDATION NO. _____ FILED

AUG 21 1991 -10 05 AM

EQUIPMENT TRUST AGREEMENT INTERSTATE COMMERCE COMMISSION

dated as of August 1, 1991

between

MERIDIAN TRUST COMPANY,
not in its individual capacity,
except as otherwise expressly provided,
but solely as Owner Trustee,

and

WILMINGTON TRUST COMPANY,
Equipment Trust Trustee

2,810 Rebuilt Railcars

Conrail 1991 Equipment Trust A

Filed with the Interstate Commerce Commission pursuant to
49 U.S.C. Section 11303 on August __, 1991, at __:__.m.,
recordation number _____, and deposited in the office of
the Registrar General of Canada pursuant to Section 90 of the
Railway Act of Canada on August __, 1991, at __:__.m.

TABLE OF CONTENTS TO EQUIPMENT TRUST AGREEMENT

		<u>Page</u>
ARTICLE 1	DEFINITIONS AND INCORPORATION BY REFERENCE	2
	1.01 Definitions	2
ARTICLE 2	THE CERTIFICATES	2
	2.01 Certificates; Title and Terms	2
	2.02 Execution and Delivery	3
	2.03 Temporary Certificates	3
	2.04 Registrar and Paying Agent	4
	2.05 Transfer and Exchange	4
	2.06 Holder Lists; Ownership of Certificates	5
	2.07 Mutilated, Destroyed, Lost or Stolen Certificates	6
	2.08 Cancellation	6
	2.09 Payment on Certificates; Defaulted Interest	6
	2.10 Payment from Estate Only	9
	2.11 Guaranties of Owner Trustee	10
	2.12 Execution, Delivery and Dating of Certificates upon Original Issuance	11
	2.13 Withholding	11
	2.14 Book-Entry and Definitive Certificates	11
ARTICLE 3	RECEIPT, DISTRIBUTION AND APPLICATION OF FUNDS IN THE EQUIPMENT TRUST ESTATE	14
	3.01 Payment upon Purchase of an Item of Equipment	14
	3.02 Payment in Case of Redemption	15
	3.03 Application of Rent When No Event of Acceleration Is Continuing	15
	3.04 Payments During Continuance of Event of Acceleration	16
	3.05 Payments for which Application Is Provided in Other Documents ...	17
	3.06 Payments for Which No Application Is Otherwise Provided	17
	3.07 Order of Application of Payments ...	18
	3.08 Subrogation	18

	<u>Page</u>
7.05 Waiver of Existing Defaults	48
7.06 Control by Majority	48
7.07 Limitation on Suits by Holders	48
7.08 Rights of Holders to Receive Payment	49
7.09 Equipment Trust Trustee May File Proofs of Claim	49
7.10 Undertaking for Costs	49
ARTICLE 8 EQUIPMENT TRUST TRUSTEE	50
8.01 Duties of Equipment Trust Trustee ..	50
8.02 Rights of Equipment Trust Trustee ..	51
8.03 Individual Rights of Equipment Trust Trustee	51
8.04 Funds May Be Held by Equipment Trust Trustee or Paying Agent; Investments	52
8.05 Notice of Defaults	52
8.06 Indemnification by Lessee	53
8.07 Replacement of Equipment Trust Trustee	53
8.08 Successor Equipment Trust Trustee, Agents by Merger, Etc. ..	54
8.09 Eligibility; Disqualification	55
8.10 Trustee's Liens	55
8.11 Name of Trust	55
ARTICLE 9 SATISFACTION AND DISCHARGE; TERMINATION OF OBLIGATIONS	55
9.01 Satisfaction and Discharge of Agreement; Termination of Obligations	55
9.02 Survival of Certain Obligations	56
9.03 Monies to Be Held in Trust	57
9.04 Monies to Be Returned to Owner Trustee	57
ARTICLE 10 AMENDMENTS AND WAIVERS	57
10.01 Amendments to this Agreement Without Consent of Holders	57
10.02 Amendments to this Agreement With Consent of Holders	58
10.03 Revocation and Effect of Consents ..	59

	<u>Page</u>
3.09 Excluded Payments	18
3.10 Statements to Holders	18
ARTICLE 4 LEASE OF ITEMS OF EQUIPMENT BY OWNER TRUSTEE TO LESSEE	19
4.01 Agreement to Lease	19
4.02 Disposition and Release of Property Included in the Equipment Trust Estate During Continuation of Lease	19
4.03 Assignment and Grant of Security Interest	20
ARTICLE 5 LEASE OF ITEMS OF EQUIPMENT BY EQUIPMENT TRUST TRUSTEE TO OWNER TRUSTEE....	25
5.01 Agreement to Lease	25
5.02 Term of ETA Lease	25
5.03 ETA Rent	26
5.04 No Setoff, Counterclaim, Etc.	28
5.05 Equipment Trust Trustee Representations and Warranties ...	28
5.06 Assumption of Obligations of Owner Trustee by Lessee	29
ARTICLE 6 REDEMPTION OF CERTIFICATES	31
6.01 No Redemption Prior to Maturity	31
6.02 Redemption of Certificates	31
6.03 Notice of Redemption to Holders	34
6.04 Deposit of Redemption Price	34
6.05 Certificates Payable on Redemption Date	35
6.06 Certificates to Be Redeemed Ratably, Etc.	35
6.07 Allocation of Redemption Payments	35
ARTICLE 7 REMEDIES OF THE EQUIPMENT TRUST TRUSTEE UPON AN EVENT OF ACCELERATION	36
7.01 Events of Acceleration	36
7.02 Acceleration; Rescission and Annulment	39
7.03 Other Remedies Available to Equipment Trust Trustee	39
7.04 Waiver of Owner Trustee	47

	<u>Page</u>
10.04 Notation on or Exchange of Certificates	60
10.05 Equipment Trust Trustee and Owner Trustee Protected	60
10.06 Amendments, Waivers, Etc. of Other Operative Documents	60
ARTICLE 11 ACTIONS TO BE TAKEN UPON TERMINATION OF LEASE	63
ARTICLE 12 LESSEE'S RIGHT OF QUIET ENJOYMENT	64
ARTICLE 13 SINKING FUND.....	64
ARTICLE 14 MISCELLANEOUS	64
14.01 Repayment of Monies for Certificate Payments Held by Equipment Trust Trustee	64
14.02 Notices	65
14.03 Communication by Holders with Other Holders	66
14.04 Certificate and Opinion as to Conditions Precedent	67
14.05 Rules by Equipment Trust Trustee and Agents	67
14.06 Non-Business Days	67
14.07 Governing Law	67
14.08 Execution in Counterparts	68
Exhibit A Form of Certificate and Form of Guaranty of Owner Trustee	
Exhibit B Sinking Fund Payments	
Exhibit C ETA Rent Schedule	
Exhibit D Letter of Representations	
Appendix A Definitions	

EQUIPMENT TRUST AGREEMENT

THIS EQUIPMENT TRUST AGREEMENT, dated as of August 1, 1991, between MERIDIAN TRUST COMPANY, a Pennsylvania Trust Company, not in its individual capacity, except as otherwise expressly provided herein, but solely as Owner Trustee under the Trust Agreement (the "Owner Trustee"), and WILMINGTON TRUST COMPANY, a Delaware banking corporation (the "Equipment Trust Trustee"),

W I T N E S S E T H:

WHEREAS, the Owner Participant (such term and all other capitalized terms used herein being defined as hereinafter provided) and the Owner Trustee in its individual capacity have entered into the Trust Agreement whereby, among other things, (i) the Owner Trustee shall acquire and hold the Owner Trust Estate for the benefit of the Owner Participant and (ii) the Owner Trustee has been authorized and directed to execute and deliver this Agreement;

WHEREAS, Lessee has rebuilt the Railcars and contracted to sell to the Owner Trustee, pursuant to the Railcar Purchase Agreement, the Railcars described therein;

WHEREAS, the Owner Trustee and the Equipment Trust Trustee desire by this Agreement, among other things, (i) to provide for the issuance by the Equipment Trust Trustee of the Certificates, (ii) to provide for legal title to each Item of Equipment to be vested in and retained by the Equipment Trust Trustee as part of the Equipment Trust Estate solely for security purposes, and for the assignment, grant of a security interest in, mortgage and pledge by the Owner Trustee to the Equipment Trust Trustee, as part of the Equipment Trust Estate hereunder, among other things, of the Owner Trustee's rights and interest in and to the Lease and all payments and other amounts received thereunder (other than Excluded Payments) in accordance with the terms hereof, in trust, as security for the Owner Trustee's obligations to the Equipment Trust Trustee, for the ratable benefit and security of the Holders and (iii) to provide for the lease of each Item of Equipment hereunder by the Equipment Trust Trustee to the Owner Trustee until legal title thereto is transferred to the Owner Trustee in accordance with the provisions hereof;

WHEREAS, the parties agree that the sole purpose for providing that legal title to each Item of Equipment will be

held by the Equipment Trust Trustee is to provide the Equipment Trust Trustee with a security interest in each Item of Equipment, and that for all other purposes (including tax purposes) the Owner Trustee shall be the beneficial owner of each Item of Equipment;

WHEREAS, the Owner Trustee is entering into the Lease, whereby the Owner Trustee agrees to lease each Item of Equipment to Lessee and Lessee agrees to lease each Item of Equipment from the Owner Trustee, subject to the terms and conditions of the Lease; and

WHEREAS, all things necessary to make this Equipment Trust Agreement the legal, valid and binding obligation of the Owner Trustee and the Equipment Trust Trustee, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, and other good and sufficient consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions. All capitalized terms used herein shall have the meanings set forth in Appendix A hereto for all purposes of this Agreement. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date hereof. All references in this Agreement to Articles, Sections and Exhibits refer, unless otherwise specified, to Articles, Sections and Exhibits of this Agreement.

ARTICLE 2

THE CERTIFICATES

Section 2.01. Certificates; Title and Terms. The aggregate principal amount of Certificates which may be Outstanding under this Agreement is limited to \$78,740,000. The Certificates shall be issued in substantially the form set forth in Exhibit A and shall bear the Guaranties of the Owner Trustee substantially in the form set forth in Exhibit A. The Certificates shall be designated as 1991 Equipment Trust Certificates, Series A. The Certificates

shall be issued in registered form only and (except as a result of a redemption of less than all of the Certificates as provided in Article 6) in denominations of \$1,000 and integral multiples thereof, shall be dated the date of execution, shall be issued with a maturity of October 1, 2008 and shall bear interest at a rate of 8.65% per annum.

The Certificates are not redeemable prior to maturity except as provided in Article 6. Interest accrued on the Certificates shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.02. Execution and Delivery. (a) The Certificates shall be executed on behalf of the Equipment Trust Trustee by the manual or facsimile signature of its chairman of the board, vice chairman of the board, president, chairman of the executive committee, an executive vice president or a vice president. The Equipment Trust Trustee's seal shall be reproduced on the Certificates and shall be attested by an assistant vice president, corporate trust officer or assistant corporate trust officer or any other duly authorized officer of the Equipment Trust Trustee, whose signature shall be manual.

(b) A Certificate shall not be valid until executed on behalf of the Equipment Trust Trustee by the manual or facsimile signature of one of the officers of the Equipment Trust Trustee specified in the first sentence of Section 2.02(a) and the attestation of the Equipment Trust Trustee's seal by the manual signature of one of the officers of the Equipment Trust Trustee specified in the second sentence of Section 2.02(a), which shall be conclusive evidence that such Certificate has been duly executed under this Agreement. In case the officer of the Equipment Trust Trustee whose signature shall appear on such Certificate shall cease to be an officer before the Certificate shall have been issued and delivered by the Equipment Trust Trustee, or shall not have been acting in such capacity on the date of such Certificate, such Certificate shall nevertheless be as effective and binding upon the Equipment Trust Trustee as though the person who signed such Certificate had not ceased to be or had then been such officer.

Section 2.03. Temporary Certificates. Until definitive Certificates are ready for delivery, the Equipment Trust Trustee may execute and issue Temporary Certificates. Temporary Certificates shall be substantially in the form of definitive Certificates but may have variations that the Equipment Trust Trustee considers appropriate for Temporary Certificates. Every Temporary Certificate shall be executed by the Equipment Trust Trustee and registered by the

Registrar upon the same conditions, and with like effect, as a definitive Certificate. The Equipment Trust Trustee shall issue definitive Certificates in exchange for Temporary Certificates without unreasonable delay.

Section 2.04. Registrar and Paying Agent. The Equipment Trust Trustee shall maintain, or cause to be maintained, an office or agency where the Certificates may be presented for registration of transfer or for exchange (in such capacity, the "Registrar") and an office or agency where (subject to Sections 2.05 and 2.09) Certificates may be presented for payment, transfer or exchange (in such capacity, the "Paying Agent"). The Registrar shall keep a register (the "Register") with respect to the Certificates and to their transfer and exchange. The Equipment Trust Trustee may appoint one or more co-registrars ("Co-Registrars") and one or more additional Paying Agents for the Certificates, and the Equipment Trust Trustee may terminate the appointment of any Co-Registrar or additional Paying Agent at any time upon written notice to such Co-Registrar or Paying Agent. The term "Registrar" includes any Co-Registrar. The term "Paying Agent" includes any additional Paying Agent.

The Equipment Trust Trustee shall initially act as Registrar and Paying Agent.

Section 2.05. Transfer and Exchange. At the option of the Holder thereof, Certificates may be exchanged for an equal aggregate principal amount of other Certificates of the same maturity and interest rate and of any authorized denominations upon surrender of the Certificates to be exchanged at the principal corporate trust office of the Equipment Trust Trustee, or at any office or agency maintained for such purpose pursuant to Section 2.04. Whenever any Certificate or Certificates are so surrendered for exchange, the Equipment Trust Trustee shall execute and deliver the replacement Certificate or Certificates which the Holder making the exchange is entitled to receive.

Upon surrender for transfer of any Certificate at such office or agency maintained by the Equipment Trust Trustee, the Equipment Trust Trustee shall execute and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the same maturity and interest rate and of any authorized denomination.

All Certificates issued upon any registration of transfer or exchange of Certificates shall be the valid obligations of the Equipment Trust Trustee, evidencing the same obligations, and entitled to the same security and

benefits under this Agreement, as the Certificates surrendered upon such registration of transfer or exchange.

Every Certificate presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Certificates, but the Registrar may require payment from the relevant Holder(s) of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than exchanges pursuant to Section 2.03 or 10.04 not involving any transfer, in which case the Equipment Trust Trustee shall collect such tax or charge, if any, from Lessee.

The Registrar shall not be required to register the transfer of or to exchange any Certificate subject to redemption pursuant to Section 6.02.

Any transfer or exchange of Certificates shall be in compliance with the restrictions on transfer set forth in Exhibit A.

No employee benefit plan subject to Title I of ERISA or individual retirement account or employee benefit plan subject to Section 4975 of the Code (hereinafter collectively referred to as "ERISA Plans"), may acquire or hold any of the Certificates. However, certain governmental and non-electing church plans are not subject to Title I of ERISA or such Section 4975 and, therefore, are not ERISA Plans and may acquire and hold Certificates. The acquiring by any person of any Certificate shall be deemed to constitute a representation by such person to Lessee, the Owner Trustee, the Owner Participant and the Equipment Trust Trustee that such person is not an ERISA Plan and that such person is not acquiring, and has not acquired, such Certificate with assets of an ERISA Plan.

Section 2.06. Holder Lists; Ownership of Certificates. (a) The Equipment Trust Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Equipment Trust Trustee is not the Registrar, the Registrar shall furnish (and Lessee shall cause to be furnished) to the Equipment Trust Trustee semi-annually promptly following the first day of April and the first day of October in each year, and at such other

times as the Equipment Trust Trustee may request in writing, a list, in such form and as of such date as the Equipment Trust Trustee may reasonably require, containing all the information in the possession or control of the Registrar as to the names and addresses of Holders.

(b) Ownership of the Certificates shall be proved solely by the Register. Prior to due presentment for registration of transfer of any Certificate, the Owner Trustee, the Equipment Trust Trustee, the Paying Agent and the Registrar may deem and treat the Person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of receiving payment of principal of and Premium, if any, and (subject to Section 2.09(b)) interest on such Certificate and for all other purposes whatsoever, whether or not such Certificate shall be overdue, and none of the Owner Trustee, the Equipment Trust Trustee, the Paying Agent, the Registrar nor the Owner Participant shall be affected by notice to the contrary.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Certificates. If any Certificate shall become mutilated, destroyed, lost or stolen, the Equipment Trust Trustee shall, upon the written request of the Holder of such Certificate, issue, execute and deliver in replacement thereof, a new Certificate, payable to the same Holder in the same principal amount and of the same maturity and interest rate and dated the same date as the Certificate so mutilated, destroyed, lost or stolen. If the Certificate being replaced has become mutilated, such Certificate shall be surrendered to the Equipment Trust Trustee. If the Certificate being replaced has been destroyed, lost or stolen, the Holder of such Certificate shall furnish to the Equipment Trust Trustee such security or indemnity as may be required by it to save the Equipment Trust Trustee, the Equipment Trust Estate and the Owner Trustee harmless and evidence satisfactory to the Equipment Trust Trustee of the destruction, loss or theft of such Certificate and of the ownership thereof.

Section 2.08. Cancellation. The Registrar and any Paying Agent shall forward to the Equipment Trust Trustee for cancellation all Certificates surrendered to them for replacement, registration of transfer, exchange or payment (including through redemption). The Equipment Trust Trustee shall cancel all Certificates surrendered for replacement, registration of transfer, exchange, payment or cancellation and shall destroy cancelled Certificates.

← Section 2.09. Payment on Certificates; Defaulted Interest. (a) The Equipment Trust Trustee will arrange directly with any Paying Agent for the payment, or the

Equipment Trust Trustee will, subject to and upon receipt of the funds necessary therefor, make payment, all pursuant to Section 2.10, of the principal of and Premium, if any, and interest on the Certificates. Interest payable on the Certificates which is punctually paid or duly provided for shall be paid in U.S. currency on each Interest Payment Date to the Holder thereof at the close of business on the relevant Record Date at the principal corporate trust office of the Equipment Trust Trustee or at the office of the Paying Agent maintained for such purpose pursuant to Section 2.04; provided that the Equipment Trust Trustee or the Paying Agent may, at its option, pay any such amount by check mailed to such Holder's address as it appears on the Register; provided, further, that if an arrangement as contemplated by this Equipment Trust Agreement ceases to exist between Lessee and a Clearing Agency, the Equipment Trust Trustee or the Paying Agent will pay, or cause to be paid, if so requested by any Holder by written notice to the Equipment Trust Trustee, any such amount by transferring such amount by wire in immediately available funds to an account maintained by such Holder with a bank in the United States; provided further, however, that payment (including through redemption) in full of the principal of (and of any Premium in connection therewith on) a Certificate shall be payable only against presentation and surrender thereof at the principal corporate trust office of the Equipment Trust Trustee or at the office of the Paying Agent maintained for such purpose pursuant to Section 2.04.

A Holder shall have no further interest in, or other right with respect to, the Equipment Trust Estate when and if the principal amount of and interest and Premium, if any, on all Certificates registered in the name of such Holder and all other sums payable to such Holder hereunder, under such Certificates and under the Participation Agreement shall have been paid in full or duly provided for in accordance with Section 9.01.

(b) Any interest payable on any Certificate which is not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder thereof on the relevant Record Date by virtue of his having been the Holder thereof on such date; and such Defaulted Interest may be paid by the Equipment Trust Trustee, at its election in each case, as provided in clause (1) or (2) below:

(1) The Equipment Trust Trustee may elect to make payment of any Defaulted Interest to the Holders as determined at the close of business on a special record date for the payment of such Defaulted Interest, which

shall be fixed in the following manner: The Equipment Trust Trustee shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Certificate and the date of the proposed payment, and at the same time the Equipment Trust Trustee shall make arrangements to set aside an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest, prior to the date of the proposed payment, to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as this clause provides and shall fix a special record date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment. The Equipment Trust Trustee shall promptly notify the Owner Trustee and the Registrar (with a copy to Lessee) of such special record date and shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first class postage prepaid, to each Holder at his address as it appears in the Register, not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been mailed, as aforesaid, such Defaulted Interest shall be paid to the Holders on such special record date and shall no longer be payable pursuant to the following clause (2).

(2) In the event that the Equipment Trust Trustee shall not have elected to make payment of Defaulted Interest pursuant to the foregoing clause (1), the Equipment Trust Trustee may make, or cause to be made, payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Certificates may be listed, and upon such notice as may be required by such exchange, if such manner of payment shall be deemed practicable by the Equipment Trust Trustee.

(c) The Equipment Trust Trustee shall require each Paying Agent to agree in writing that such Paying Agent will hold in trust, for the benefit of Holders or the Equipment Trust Trustee, all money held by the Paying Agent for the payment of the principal of or Premium, if any, or interest on the Certificates, and shall give to the Equipment Trust Trustee notice of any default in the making of any such payment by the Owner Trustee. The Equipment Trust Trustee at any time may require a Paying Agent to repay all money held by it to the Equipment Trust Trustee. Upon so doing the Paying Agent shall have no further liability for the money so paid.

Section 2.10. Payment from Estate Only. All amounts payable by the Equipment Trust Trustee and the Owner Trustee under the Certificates, the Guaranties and this Agreement shall be made only from the income and proceeds of the Equipment Trust Estate. Notwithstanding any provisions of this Agreement to the contrary (but subject to the obligations and duties of the Equipment Trust Trustee under Article 8), the Equipment Trust Trustee shall not be personally liable for any amounts payable under a Certificate. By its acceptance of a Certificate, each Holder agrees that (a) it will look solely to the income and proceeds of the Equipment Trust Estate for the payment of such amounts, to the extent available for distribution to such Holder as herein provided, and (b) none of the Owner Trustee either in its individual capacity or as trustee, the Owner Participant or the Equipment Trust Trustee is or shall be personally liable to any Holder (1) for any amount payable under a Certificate, the Guaranty endorsed thereon or this Agreement or (2) except as expressly provided in this Agreement in the case of the Owner Trustee either in its individual capacity or as trustee and the Equipment Trust Trustee, for any liability thereunder.

Each of the Equipment Trust Trustee and the Holders from time to time, by its acceptance of a Certificate, hereby irrevocably agrees, to the maximum extent permitted by law, that, in any case in which any Person (other than Lessee alone) is the debtor or one of the debtors under the United States Bankruptcy Code of 1978, as amended (the "Bankruptcy Code"), each of the Equipment Trust Trustee and the Holders shall be deemed to have made a timely election pursuant to Section 1111(b)(1)(A)(i) of the Bankruptcy Code, (or any substantially comparable provision which is the successor thereto) as to the Equipment Trust Estate (which is acknowledged and agreed not to include Excluded Payments).

Meridian Trust Company is entering into this Agreement and executing the Guaranties solely as Owner Trustee under the Trust Agreement and not in its individual capacity except as otherwise expressly provided herein, and in no case whatsoever shall Meridian Trust Company (or any entity acting as successor trustee under the Trust Agreement), except as otherwise expressly provided herein, be personally liable for, or for any loss in respect of, any statements, representations, warranties, agreements or obligations hereunder or thereunder not expressly made in its individual capacity; provided that Meridian Trust Company shall be liable hereunder and under the Guaranties in its individual capacity, (i) for the performance of its agreements under Section 8(f) of the Participation Agreement and (ii) for its own willful misconduct or gross negligence.

If a successor Owner Trustee is appointed in accordance with the terms of the Trust Agreement and the Participation Agreement, such successor Owner Trustee shall, without any further act, succeed to all of the rights, duties, immunities and obligations hereunder, and its predecessor Owner Trustee and Meridian Trust Company shall be released from all further duties and obligations hereunder, without prejudice to any claims against Meridian Trust Company or such predecessor Owner Trustee for any default by Meridian Trust Company or such predecessor Owner Trustee, respectively, in the performance of its obligations hereunder prior to such appointment.

Section 2.11. Guaranties of Owner Trustee. The Owner Trustee, solely in its capacity as trustee, covenants, agrees and guarantees that each Holder shall receive the principal amount of and Premium, if any, on its Certificates in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable (whether at stated maturity or otherwise), in accordance with the provisions thereof or of this Agreement, and shall receive interest thereon in like money at the rate specified therein, at the times and places and otherwise as expressed in the Certificates, together with all other amounts due hereunder. The Owner Trustee further covenants and agrees to endorse upon each of the Certificates, at or before the issuance and delivery thereof by the Equipment Trust Trustee, its Guaranty of the prompt payment of the principal thereof and Premium, if any, and interest thereon, in substantially the form set forth in Exhibit A. Such Guaranty (i) shall be absolute and unconditional and not in any way conditioned or contingent upon the validity or enforceability of the obligations of the Owner Trustee to pay ETA Rent pursuant to Section 5.03, and shall not be affected by any circumstances, including, without limitation, those specified in Section 5.04; and (ii) shall be a present and continuing guaranty of payment and not of collectibility and shall be in no way conditioned or contingent upon any attempt to collect from the Equipment Trust Trustee or to realize upon any security provided therefor, or upon any other condition or contingency; provided that the obligations of the Owner Trustee under such Guaranty shall be discharged to the extent of any ETA Rent paid by the Owner Trustee or any Rent received by the Equipment Trust Trustee pursuant to the assignment thereof under Section 4.03. Such Guaranty so endorsed shall be signed in the name and on behalf of the Owner Trustee by the facsimile signature of a Responsible Officer of the Owner Trustee, provided that such Guaranty shall not be effective with respect to any Certificate unless such Certificate shall

have been duly executed on behalf of the Equipment Trust Trustee as provided in Section 2.02. In case any officer of the Owner Trustee whose signature shall appear on such Guaranty shall cease to be such officer before the Certificate shall have been issued and delivered by the Equipment Trust Trustee, or shall not have been acting in such capacity on the date of such Certificate, such Guaranty shall nevertheless be as effective and binding upon the Owner Trustee as though the person who signed such Guaranty had not ceased to be or had then been such officer.

Section 2.12. Execution, Delivery and Dating of Certificates upon Original Issuance. The Equipment Trust Trustee shall issue, execute and deliver the Certificates for original issuance only upon an Owner Trustee Request therefor and upon payment to it of an amount equal to the aggregate original principal amount of the Certificates so issued. Each Certificate shall be dated the date of its issuance.

Section 2.13. Withholding. The Equipment Trust Trustee shall make any deduction required by law from any payment to any Holder hereunder for any withholding of taxes imposed by the United States. The Equipment Trust Trustee shall obtain a tax receipt with respect to any such withholding of taxes and shall furnish a report of such withholding by January 31 of each year to such Holder after the Equipment Trust Trustee has received such receipt.

Section 2.14. Book-Entry and Definitive Certificates. (a) The original Certificates may be issued in the form of one or more typewritten Certificates representing the Book-Entry Certificates, to be delivered in the manner provided for in the Letter of Representations to The Depository Trust Company ("DTC"), the initial Clearing Agency, by, or on behalf of, Lessee. In such case, the Certificates delivered to DTC shall initially be registered on the Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and a Certificate Owner will only receive a definitive certificate representing such Certificate Owner's interest in the Certificates as provided above and in subsection (d) below. Unless and until definitive, fully registered Certificates (the "Definitive Certificates") have been issued pursuant to subsection (d) below:

(i) the provisions of this Section 2.14 shall be in full force and effect;

(ii) Lessee, the Paying Agent, the Registrar and the Equipment Trust Trustee may deal with the Clearing Agency for all purposes (including the making of distributions

on the Certificates) as the authorized representative of the Certificate Owners;

(iii) to the extent that the provisions of this Section 2.14 conflict with any other provisions of this Agreement, the provisions of this Section 2.14 shall control;

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency Participants; and until Definitive Certificates are issued pursuant to subsection (d) below, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal of and interest and Premium, if any, on the Certificates to such Clearing Agency Participants; and

(v) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of Holders holding a specified percentage in principal amount of Outstanding Certificates, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Certificate Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage in principal amount of Outstanding Certificates and has delivered such instructions to the Equipment Trust Trustee. The Equipment Trust Trustee shall have no obligation to determine whether the Clearing Agency has in fact received any such instructions.

(b) Whenever notice or other communication to the Holders is required under this Agreement, unless and until Definitive Certificates shall have been issued pursuant to subsection (d) below, the Equipment Trust Trustee shall give all such notices and communications specified herein to be given to Holders to the Clearing Agency and/or the Clearing Agency Participants, and shall make available additional copies as requested by such Clearing Agency Participants.

(c) Unless and until Definitive Certificates are issued pursuant to subsection (d) below, on the Record Date prior to each Interest Payment Date, the Special Distribution Date, or on any special record date as provided in Section 2.09(b), the Equipment Trust Trustee will request from the Clearing Agency a securities position listing (or comparable document) setting forth the names of all Clearing Agency

Participants reflected on the Clearing Agency's books as holding interests in the Certificates on such Record Date. The Equipment Trust Trustee will mail to each such Clearing Agency Participant the statements described in Section 3.10.

(d) If (i) a Certificate Owner transfers its interest to a Person for whom the Clearing Agency is ineligible to act in accordance with the rules and regulations of the Clearing Agency, as such rules and regulations may from time to time be amended (any such Person being an "Ineligible Transferee"), (ii) Lessee advises the Equipment Trust Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities and the Equipment Trust Trustee or Lessee is unable to locate a qualified successor, (iii) Lessee, at its option, advises the Equipment Trust Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (iv) after the occurrence of an Event of Acceleration, Certificate Owners holding not less than a majority in principal amount of Outstanding Certificates held by Certificate Owners advise the Equipment Trust Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners, then (A) in the case of (i) above, the Equipment Trust Trustee shall (1) cancel the Certificate registered in the name of Cede & Co., (2) complete the procedures specified in the Letter of Representations and (3) issue, authenticate and deliver a Definitive Certificate in the name of the Ineligible Transferee as provided in Sections 2.01 and 2.02 in an authorized denomination equal to the Ineligible Transferee's aggregate principal amount and shall authenticate and deliver a new Certificate registered in the name of Cede & Co. equal in amount to the aggregate principal amount of the surrendered Certificate reduced by the aggregate principal amount transferred to such Ineligible Transferee; and (B) in the case of (ii) through (iv) above, the Equipment Trust Trustee shall notify all Certificate Owners, through the Clearing Agency, of the occurrence of any such event and of the availability of Definitive Certificates. Upon surrender to the Equipment Trust Trustee of all the Certificates held by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration of Definitive Certificates in the names of Certificate Owners, the Equipment Trust Trustee shall issue, authenticate and deliver Definitive Certificates in accordance with the instructions of the Clearing Agency. None of Lessee, the Registrar, the Paying Agent or the Equipment Trust Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be

protected in relying on, such registration instructions. Upon the issuance of Definitive Certificates, the Equipment Trust Trustee shall recognize the Person in whose name the Definitive Certificates are registered in the Register as Holders hereunder. Neither Lessee nor the Equipment Trust Trustee shall be liable if the Equipment Trust Trustee or Lessee is unable to locate a qualified successor Clearing Agency.

(e) (i) So long as an arrangement as contemplated by this Equipment Trust Agreement exists between Lessee and a Clearing Agency, in the event an Ineligible Transferee subsequently transfers its Definitive Certificate to a Person for whom the Clearing Agency is eligible to act in accordance with the rules and regulations of the Clearing Agency, as such rules and regulations may from time to time be amended, and such Person notifies the Equipment Trust Trustee in writing that such Person wishes to hold its Certificate through the Clearing Agency, the Equipment Trust Trustee shall, upon surrender to the Equipment Trust Trustee of the Definitive Certificate, (A) cancel both the existing Certificate registered in the name of the Clearing Agency or its nominee and the Definitive Certificate, (B) complete the procedures specified in the Letter of Representations and (C) issue, authenticate and deliver a new Certificate registered in the name of the Clearing Agency or its nominee in an amount equal to the aggregate principal amount of the transferred Definitive Certificate.

(ii) In the event that the Ineligible Transferee subsequently transfers its Definitive Certificate to another Ineligible Transferee, the Equipment Trust Trustee shall effect such transfer in accordance with Section 2.05.

(f) The Equipment Trust Trustee shall enter into the Letter of Representations and fulfill its responsibilities thereunder.

ARTICLE 3

RECEIPT, DISTRIBUTION AND APPLICATION OF FUNDS IN THE EQUIPMENT TRUST ESTATE

Section 3.01. Payment upon Purchase of an Item of Equipment. Promptly upon receipt of the proceeds from the sale of the Certificates, the Equipment Trust Trustee shall deposit such proceeds ("Deposited Cash") in an account to be held as part of the Equipment Trust Estate, and to be invested as provided in Section 8.04 and applied and distributed as provided in this Article 3. On each Funding

Date of an Item of Equipment, subject to fulfillment to the satisfaction of or waiver by the Equipment Trust Trustee of all conditions specified for such Funding Date in Section 4 of the Participation Agreement as originally executed, the Equipment Trust Trustee, on behalf of the Owner Trustee, shall apply an amount equal to the Commitment of the Equipment Trust Trustee for such Item of Equipment, together with the Commitment received from the Owner Participant pursuant to Section 2 of the Participation Agreement, to the acquisition of title to such Item of Equipment in accordance with Section 2 of the Participation Agreement.

Section 3.02. Payment in Case of Redemption. In the event all or any part of the Certificates are to be redeemed in accordance with the provisions of Section 6.02, the Equipment Trust Trustee will hold any amount received by it in anticipation of such redemption in accordance with Section 8.04 and apply such amount, together with the Investment Proceeds, if any, on the Redemption Date in the following order of priority:

first, so much of such aggregate amount as shall be required to pay the Equipment Trust Trustee all amounts then due it pursuant to Section 13, 15 or 16 of the Participation Agreement shall be applied to pay the Equipment Trust Trustee such amounts;

second, subject to Section 3.07, so much of such aggregate amount remaining as shall be required to pay the principal of and interest and Premium, if any, on the Outstanding Certificates pursuant to Section 6.02 on the Redemption Date shall be applied to the redemption of the Certificates on the Redemption Date; and

third, the balance, if any, of such aggregate amount remaining shall be distributed to the Owner Trustee.

Section 3.03. Application of Rent When No Event of Acceleration Is Continuing. Except as otherwise provided in Section 3.02 or 3.04, each amount of ETA Rent and Rent received by the Equipment Trust Trustee, together with any amount received by the Equipment Trust Trustee pursuant to Section 7.03(e)(i) and the Investment Proceeds, if any, shall be distributed by the Equipment Trust Trustee in the following order of priority:

first, subject to Section 3.07, so much of such aggregate amount as shall be required to pay in full the principal of and interest then due on all Outstanding Certificates shall be applied to pay such principal and interest;

second, any amount due the Equipment Trust Trustee pursuant to Section 13, 15 or 16 of the Participation Agreement shall be paid to the Equipment Trust Trustee; and

third, the balance, if any, of such aggregate amount remaining thereafter shall be distributed to the Owner Trustee.

Section 3.04. Payments during Continuance of Event of Acceleration. All payments received and amounts held or realized by the Equipment Trust Trustee after an Event of Acceleration shall have occurred and be continuing (including any amounts realized by the Equipment Trust Trustee from the exercise of any remedies pursuant to Article 7), as well as all payments or amounts then held or thereafter received by the Equipment Trust Trustee as part of the Equipment Trust Estate while such Event of Acceleration shall be continuing, shall be distributed by the Equipment Trust Trustee in the following order of priority:

first, so much of such payments or amounts as shall be required to pay the Equipment Trust Trustee all amounts then due it pursuant to Section 13, 15 or 16 of the Participation Agreement shall be applied to pay the Equipment Trust Trustee such amounts;

second, so much of such payments or amounts remaining as shall be required to pay the expenses incurred, or in the reasonable judgment of the Equipment Trust Trustee expected to be incurred, in using, operating, storing, leasing, controlling or managing the Equipment Trust Estate, and in making all maintenance, insurance, repairs, replacements, alterations, additions and improvements thereto and in making all payments which the Equipment Trust Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Equipment Trust Estate or any part thereof (including the employment of engineers and accountants to examine and make reports upon the properties, books and records of the Owner Trustee and Lessee), all in accordance with Section 7.03(c);

third, subject to Section 3.07, so much of such payments or amounts remaining as shall be required to pay the principal of and accrued interest and Premium, if any, on all Certificates Outstanding and then due and payable, whether by redemption pursuant to Section 6.02, by declaration of acceleration pursuant to Section 7.02 or otherwise, shall be applied ratably to the payment of such principal, interest and Premium; and in case such

payments or amounts shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment of such principal, interest and Premium, without any preference or priority of one Certificate over another, ratably according to the aggregate amount so due for principal, interest and Premium, at the date fixed by the Equipment Trust Trustee for the distribution of such payments or amounts; and

fourth, the balance, if any, of such payments or amounts remaining thereafter shall be held by the Equipment Trust Trustee as collateral security for the obligations secured hereby until such time as no Event of Acceleration shall be continuing hereunder or the Certificates have been accelerated and all amounts due thereon have been paid, at which time such payments or amounts shall be distributed to the Owner Trustee; provided, that at such time as one or more Events of Default shall have occurred and any such Event of Default shall have continued for a period of 180 days during which time the Certificates shall not have been accelerated pursuant to Section 7.02, such amounts shall be distributed to the Owner Trustee for distribution in accordance with the provisions of the Lease, the Participation Agreement and the Trust Agreement so long as no Event of Acceleration exists other than by virtue of such Event of Default.

Section 3.05. Payments for which Application Is Provided in Other Documents. Except as otherwise provided in this Agreement, any payments received by the Equipment Trust Trustee for which provision as to the application thereof is made in the Lease, including, without limitation, Section 9, 10 or 11 of the Lease, or the Participation Agreement, shall be applied by the Equipment Trust Trustee in accordance with the provisions of the Lease or the Participation Agreement, as applicable, including, without limitation, Section 10(c) of the Lease.

Section 3.06. Payments for which No Application Is Otherwise Provided. Except as provided in Section 3.04:

(a) any payments received by the Equipment Trust Trustee for which no provision as to the application thereof is made elsewhere in this Agreement, and

(b) any payments received and amounts realized by the Equipment Trust Trustee with respect to an Item of Equipment to the extent received or realized at any time after the satisfaction of conditions set forth in Section 9.01 for the satisfaction and discharge of this

Agreement, as well as any other amounts remaining as part of the Equipment Trust Estate after such satisfaction, shall be distributed by the Equipment Trust Trustee in the following order of priority:

first, so much of such aggregate amount as shall be required to pay the Equipment Trust Trustee all amounts then due it pursuant to Section 13, 15 or 16 of the Participation Agreement shall be applied to pay the Equipment Trust Trustee such amounts; and

second, the balance, if any, of such aggregate amount remaining thereafter shall be distributed to the Owner Trustee.

Section 3.07. Order of Application of Payments. Each payment on any Certificate shall be applied, first, to the payment of accrued interest (including interest on overdue principal and, to the extent permitted by Applicable Law, overdue interest) on such Certificate to the date of such payment and, second, to the payment of the principal of, and the Premium, if any, on, such Certificate then due (including any overdue installments of principal) thereunder.

Section 3.08. Subrogation. To the extent that any payments received or amounts realized are applied under this Article III to pay the Equipment Trust Trustee any amounts then due it pursuant to Sections 13, 15 or 16 of the Participation Agreement, the Owner Trustee shall be subrogated to the extent of such payment to the rights and remedies of the Equipment Trust Trustee in respect thereof.

Section 3.09. Excluded Payments. The Equipment Trust Trustee shall deliver any Excluded Payments received by it to whosoever is lawfully entitled to the same.

Section 3.10. Statements to Holders. (a) On each Interest Payment Date and on the Special Distribution Date, the Equipment Trust Trustee will include with each distribution to Holders a statement, giving effect to such distribution to be made on such date, setting forth the following information (per a \$1,000 face amount Certificate as to (i) and (ii) below):

(i) The amount of such distribution allocable to principal and the amount allocable to Premium, if any; and

(ii) The amount of such distribution allocable to interest.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law, the Equipment Trust Trustee shall furnish to each Person who at any time during such calendar year was a Holder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i) and (a)(ii) with respect to the Equipment Trust Estate for such calendar year or, in the event such Person was a Holder of record during a portion of such calendar year, for the applicable portion of such year, and such other items as are readily available to the Equipment Trust Trustee and which a Holder shall reasonably request as necessary for the purpose of such Holder's preparation of its Federal income tax returns.

ARTICLE 4

LEASE OF ITEMS OF EQUIPMENT BY OWNER TRUSTEE TO LESSEE

Section 4.01. Agreement to Lease. Each of the Equipment Trust Trustee and the Owner Trustee hereby agrees that simultaneously with the purchase and acceptance of each Item of Equipment by the Equipment Trust Trustee and the lease thereof to the Owner Trustee pursuant to Section 5.01, the Owner Trustee will lease such Item of Equipment to Lessee pursuant to the Lease.

Section 4.02. Disposition and Release of Property Included in the Equipment Trust Estate during Continuation of Lease. So long as the Lease is in effect:

At any time and from time to time, subject to the provisions of Article 12, part of the Equipment Trust Estate may be sold or disposed of in accordance with the provisions of this Agreement and the Lease. The Equipment Trust Trustee shall (except (i) as otherwise permitted by Section 8.04(b) or (ii) as otherwise required hereunder), from time to time, release any part of the Equipment Trust Estate from the Lien of this Agreement, but only upon fulfillment to the satisfaction of or waiver by the Equipment Trust Trustee of all conditions specified under the applicable sections of the Lease permitting such release and upon receipt by, or deposit with, the Equipment Trust Trustee of the following:

(1) An Owner Trustee Request requesting such release, describing the property so to be released;

(2) An Officer's Certificate of Lessee, dated not more than 30 days prior to the date of the application for such release, stating:

(i) That the release will not be inconsistent with any of the provisions of this Agreement, and that such property is required or permitted to be so sold or disposed of pursuant to the Lease and the provisions of this Agreement and that all conditions precedent herein and in the Lease provided for relating to such release have been complied with; and

(ii) That no Event of Default has occurred which has not been cured;

(3) In the case of any release of an Item of Equipment as to which an Event of Loss has occurred, the amount required by Section 11.01(b);

(4) In the case of any release of an Item of Equipment as a result of the termination of the Lease with respect thereto pursuant to Section 9 thereof, the amount required by Section 11.01(a) hereof;

(5) In the case of any release of an Item of Equipment as a result of the termination of the Lease with respect thereto following Lessee's exercise of the purchase option under the first sentence of Section 20 of the Lease, the amount required by Section 11.01(c); and

(6) An Opinion of Counsel of Lessee stating that the certificates, opinions and other instruments which have been or are therewith delivered to and deposited with the Equipment Trust Trustee pursuant to this Section 4.02 and the Lease conform to the requirements of this Agreement and the Lease and that, upon the basis of such application, the property so sold or disposed of may be lawfully released from the Lien of this Agreement, and that all conditions precedent herein provided for relating to such release have been complied with.

Section 4.03. Assignment and Grant of Security Interest. As security for the prompt payment by the Owner Trustee of all amounts of ETA Rent and all amounts payable under the Guaranties, for the prompt payment of all other amounts now or hereafter due to the Holders from the Owner Trustee under the other Operative Documents, and for the performance by the Owner Trustee of its obligations hereunder and under the other Operative Documents to which it is a

party, the Owner Trustee does hereby grant, bargain, sell, release, convey, assign, transfer, mortgage, hypothecate, pledge, confirm and create a security interest in, to and for the benefit of the Equipment Trust Trustee, in trust for the equal and proportionate benefit and security of the Holders from time to time of all the Certificates Outstanding without priority of any one Certificate over any other, and upon the trusts and subject to the covenants and conditions herein set forth, the following described property, rights and privileges (which collectively, including all property hereafter specifically subjected to the Lien of this Agreement by any instrument supplemental hereto, are herein called the "Equipment Trust Estate"):

(1) Each Item of Equipment;

(2) All right, title and interest of the Owner Trustee, as lessor, in, to and under the Lease, including without limitation, all amounts of Rent payable thereunder, insurance proceeds and requisition or other payments of any kind for or with respect to each Item of Equipment;

(3) All right, title and interest of the Owner Trustee in and to the Railcar Purchase Agreement and Lessee's Title Documents;

(4) All right, title and interest of the Owner Trustee in and to the tolls, rents, issues, profits, products, revenues and other income of the property subjected or required to be subjected to the Lien of this Agreement, and all the estate, right, title and interest of every nature whatsoever of the Owner Trustee in and to the same and every part thereof;

(5) All right, title and interest of the Owner Trustee in and to the Deposited Cash and all investment income thereon; and

(6) All right, title and interest of the Owner Trustee in and to all proceeds of the foregoing.

The Owner Trustee, concurrently with the delivery hereof, has delivered to the Equipment Trust Trustee the original executed Lease, executed counterparts of the Trust Agreement and the Participation Agreement and a conformed copy of the Railcar Purchase Agreement, exclusive of specifications and change orders, certified by Lessee as a true copy.

Notwithstanding any provision of this Section 4.03 or any other Section to the contrary:

(a) there shall be excluded from the security interest granted by this Agreement all Excluded Payments;

(b) (i) whether or not an Event of Default or Event of Acceleration shall have occurred and be continuing, the Owner Trustee and the Owner Participant shall at all times retain the right, to the exclusion of the Equipment Trust Trustee, (A) to Excluded Payments and to commence an action at law to obtain such Excluded Payments, (B) to adjust Basic Rent, Stipulated Loss Values, EBO Value and Termination Values and the other amounts, all as provided in Section 3(e) of the Lease, and (C) to exercise the right to designate successor Owner Trustees pursuant to Section 21 of the Lease;

(ii) whether or not an Event of Default or Event of Acceleration shall have occurred and be continuing, the Owner Trustee and the Equipment Trust Trustee shall each retain the right to receive from Lessee all certificates, reports, filings, opinions and other notices, copies of all documents and all information which Lessee is permitted or required to give or furnish to "Lessor" pursuant to the Lease or to the Owner Trustee pursuant to the Participation Agreement, to give any notice of default under Section 14 or 15 of the Lease, to retain the right to cause Lessee to take any action and execute and deliver such documents and assurances as "Lessor" may from time to time reasonably request pursuant to Section 16 of the Lease and to inspect any Item of Equipment to the extent provided in Section 12 of the Lease;

(iii) so long as no Event of Acceleration shall have occurred and be continuing (but subject to the provisions of Section 10.06(b)(1)), the Owner Trustee shall retain the right, to the exclusion of the Equipment Trust Trustee, to exercise all other rights of "Lessor" under the Lease (other than the right to receive any funds to be delivered to "Lessor" under the Lease, including, without limitation, under Section 3, 9, 10 or 11 of the Lease (except funds which constitute or are delivered with respect to Excluded Payments)) and under the Railcar Purchase Agreement;

(iv) whether or not an Event of Default or Event of Acceleration shall have occurred and be continuing, the Owner Trustee shall at all times have the right, together with the Equipment Trust Trustee, (A) to retain all rights together with the Equipment Trust Trustee (waiver, consent or approval of both being required except in the case of Section 24 of the Lease referred to below),

including the giving of any waiver, consent or approval, that Sections 7(a), 17 and 24 of the Lease confer upon the Owner Trustee or the Owner Participant, as the case may be, and (B) to provide such insurance as Lessee shall have failed to maintain; and

(v) so long as no Event of Acceleration shall have occurred and be continuing, the Owner Trustee shall have the right, to the exclusion of the Equipment Trust Trustee, to approve as satisfactory any accountants, engineers or counsel to render services for or to issue opinions to the Owner Trustee pursuant to the Operative Documents and to execute rights under the Independent Appraisal procedure; and

(c) as between the Owner Trustee and the Equipment Trust Trustee, nothing in this Agreement shall be deemed to prevent the Owner Trustee as "Lessor" under the Lease from commencing an action to compel specific performance of the covenants of Lessee under the Lease relating to the protection, insurance, maintenance, possession and use of the Items of Equipment and from maintaining separate insurance with respect to the Items of Equipment to the extent permitted by Section 11 of the Lease.

The Owner Trustee agrees that, in accordance with the last paragraph of Section 5.02, this Agreement is intended to and shall create and grant a security interest in each Item of Equipment to the Equipment Trust Trustee, which security interest shall attach, as to each Item of Equipment, on the Delivery Date therefor.

The Owner Trustee and the Equipment Trust Trustee agree that, anything herein contained to the contrary notwithstanding, but subject nevertheless to Section 2.10, the Owner Trustee shall remain liable under the Lease and the Railcar Purchase Agreement to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Equipment Trust Trustee and the Holders shall have no obligation or liability under the Lease or the Railcar Purchase Agreement by reason of or arising out of the assignment of it hereunder, nor shall the Equipment Trust Trustee or the Holders be required or obligated in any manner to perform or fulfill any obligations of the Owner Trustee under or pursuant to the Lease, the Trust Agreement or the Railcar Purchase Agreement or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Owner Trustee does hereby constitute the Equipment Trust Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, and, subject to Section 10.06, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of the Lease and the Railcar Purchase Agreement (other than Excluded Payments), to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Equipment Trust Trustee may deem to be necessary or advisable in the premises. The Owner Trustee has directed Lessee to make all payments of Rent (other than Excluded Payments) payable to the Owner Trustee by Lessee and all other amounts which are required to be paid to or deposited with the Owner Trustee pursuant to the Lease directly to the Equipment Trust Trustee at such address as the Equipment Trust Trustee shall specify, for application as provided in this Agreement. The Owner Trustee agrees that, promptly on receipt thereof, it will transfer to the Equipment Trust Trustee any and all monies from time to time received by it constituting part of the Equipment Trust Estate, for distribution by the Equipment Trust Trustee pursuant to this Agreement, except that the Owner Trustee shall accept for distribution pursuant to the Trust Agreement any amounts distributed to it by the Equipment Trust Trustee as expressly provided in this Agreement and any Excluded Payments.

The Owner Trustee agrees that at any time and from time to time, upon the written request of the Equipment Trust Trustee, the Owner Trustee will promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as the Equipment Trust Trustee may reasonably deem desirable in obtaining the full benefits of the assignment hereunder and of the rights and powers herein granted.

The Owner Trustee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not (except in compliance with the Equipment Trust Trustee's exercise of its remedies under Article 7) assign or pledge, so long as the assignment hereunder shall remain in effect, any of its right, title or interest hereby assigned to anyone other than the Equipment Trust Trustee, and that the Owner Trustee will not, except as provided in or permitted by this Agreement, accept any payment from Lessee, enter into an agreement amending or supplementing any of the Operative Documents, execute any waiver or modification of, or consent under the terms of any of the Operative Documents, settle or compromise any claim against Lessee arising under

any of the Operative Documents or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of any of the Operative Documents to arbitration thereunder, except to the extent that such Operative Document provides for determinations to be made by an Independent Appraisal.

The Owner Trustee does hereby ratify and confirm the Lease.

ARTICLE 5

LEASE OF ITEMS OF EQUIPMENT BY EQUIPMENT TRUST TRUSTEE TO OWNER TRUSTEE

Section 5.01. Agreement to Lease. The Equipment Trust Trustee hereby agrees that it will, simultaneously with the acquisition of each Item of Equipment by the Equipment Trust Trustee on each Delivery Date, lease such Item of Equipment to the Owner Trustee under this Agreement, and the Owner Trustee hereby agrees that it will, simultaneously with such purchase and acceptance by the Equipment Trust Trustee, lease such Item of Equipment from the Equipment Trust Trustee under this Agreement, such lease to be upon the terms set forth in this Agreement. Such lease shall be a lease in legal form only and shall convey all ownership rights in such Item of Equipment to the Owner Trustee subject only to the rights of the Equipment Trust Trustee as holder of legal title for security purposes only hereunder.

Section 5.02. Term of ETA Lease. The term of the lease of each Item of Equipment hereunder (the "ETA Lease Term") shall commence on the Delivery Date thereof and shall expire on the Basic Lease Termination Date, or such earlier date as this Agreement shall have been satisfied and discharged pursuant to subsection (i) or (ii) of Section 9.01(a). Upon the expiration of the ETA Lease Term applicable thereto,

(i) subject to the provisions of Article 3, any monies remaining in the hands of the Equipment Trust Trustee after payment in full of or provision for all ETA Rent payable hereunder shall be paid to the Owner Trustee;

(ii) legal title to such Item of Equipment shall vest in the Owner Trustee or in such designee of the Owner Trustee as the Owner Trustee shall have specified in a notice furnished to the Equipment Trust Trustee not later than ten Business Days prior to such expiration;

(iii) the Equipment Trust Trustee shall execute for recordation in public offices, at the expense of the Owner Trustee or such designee, such instrument or instruments in writing as the Owner Trustee or such designee shall reasonably request and as shall be reasonably acceptable to the Equipment Trust Trustee in order to make clear upon public records the title of the Owner Trustee or such designee to such Item of Equipment under the laws of any jurisdiction; and

(iv) the Equipment Trust Trustee shall execute and deliver to the Owner Trustee an instrument releasing its Lien in and to such Item of Equipment and all other property then remaining in the Equipment Trust Estate, and shall execute for recordation in public offices, at the expense of the Owner Trustee or such designee, such instruments in writing as the Owner Trustee or such designee shall reasonably request and as shall be reasonably acceptable to the Equipment Trust Trustee in order to make clear upon public records that such Lien has been released under the laws of any jurisdiction;

provided that, until expiration of the ETA Lease Term applicable thereto, legal title to such Item of Equipment shall not pass to or vest in the Owner Trustee or in any such designee, but shall be and remain in the Equipment Trust Trustee for security purposes, notwithstanding the delivery of such Item of Equipment to the Owner Trustee pursuant to the lease of such Item of Equipment hereunder or the delivery to and the possession and use thereof by Lessee pursuant to the Lease. The Owner Trustee, for itself and any such designee, hereby waives and releases any and all rights existing or that may be acquired to any penalties, forfeit or damages from or against the Equipment Trust Trustee for failure to execute and deliver any bill or bills of sale or to file any certificate of payments in compliance with any law or statute requiring the filing of the same, except for failure by the Equipment Trust Trustee to execute and deliver any quitclaim bill or bills of sale or to file any certificate as may be specifically requested in writing by the Owner Trustee or any such designee.

Notwithstanding anything herein to the contrary, the holding by the Equipment Trust Trustee of legal title to such Item of Equipment is for security purposes only, and the parties hereto agree that for all other purposes, including tax purposes, the Owner Trustee shall be the owner of such Item of Equipment.

Section 5.03. ETA Rent. As rental for each Item of Equipment during the ETA Lease Term applicable thereto, the

Owner Trustee shall pay or cause to be paid to the Equipment Trust Trustee at its corporate trust office, in funds consisting of lawful currency of the United States of America, the following amounts ("ETA Rent"):

(a) on the Funding Date applicable to such Item of Equipment, an amount equal to the Owner Participant's Commitment for such Item of Equipment; and

(b) not later than 11:30 A.M., New York City time, on the date on which any payment of interest (including any interest on overdue principal), Premium, if any, upon redemption pursuant to Section 6.02, or principal is due under the Certificates (whether upon redemption, final maturity, acceleration or otherwise) or any sinking fund payment is due under Section 13.01, an amount sufficient to pay the aggregate amount of such interest, Premium, principal or payment in accordance with the terms of the Certificates and of this Agreement.

As additional rental, the Owner Trustee shall pay or cause to be paid to the Equipment Trust Trustee or to the Holder of any Certificate entitled thereto, when due, any other amounts which the Owner Trustee has agreed herein to pay to the Equipment Trust Trustee or to such Holder.

All payments of ETA Rent to be made by the Owner Trustee to the Equipment Trust Trustee shall be made by wire transfer of immediately available funds to the Corporate Trust Administration Department of the Equipment Trust Trustee at Rodney Square North, Wilmington, Delaware 19890, Attention: Conrail 1991 Equipment Trust A, for credit to such account as the Equipment Trust Trustee shall specify.

Notwithstanding any provision to the contrary, all amounts of Rent received by the Equipment Trust Trustee pursuant to the assignment thereof under Section 4.03 shall to the extent thereof release the Owner Trustee from its obligation to pay ETA Rent in the same amount hereunder.

Notwithstanding any provision hereof to the contrary, the parties hereto agree that for income tax purposes (i) all payments of ETA Rent payable pursuant to Section 5.03(b) shall be reported as interest or principal, as the case may be, on a loan from the Holders to the Owner Trustee in accordance (in the case of ETA Rent payable under Section 5.03(b) exclusive of Premium, if any, which amount shall be reported as interest) with Exhibit C and (ii) each Certificate is intended to represent an interest in the ETA Rent, as set forth in Exhibit C.

Section 5.04. No Setoff, Counterclaim, Etc. The lease hereunder of each Item of Equipment is a net lease and the Owner Trustee's obligation to pay all ETA Rent payable hereunder shall, subject, so long as the Lease is in effect, to the penultimate paragraph of Section 5.03, be absolute and unconditional and shall not be affected by any circumstances of any character, including, without limitation, (a) any setoff, counterclaim, recoupment, defense or other right which the Owner Trustee or Lessee may have against the Equipment Trust Trustee or anyone else for any reason whatsoever, (b) any defect in the title, condition, design, operation or fitness for use of, or any damage to or loss or destruction of, any Item of Equipment, or any interruption or cessation in or prohibition of the use or possession thereof by the Owner Trustee or Lessee for any reason whatsoever, (c) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Owner Trustee or the Equipment Trust Trustee or (d) any other circumstance, happening or event whatsoever, whether or not unforeseen or similar to any of the foregoing. If for any reason whatsoever the lease of such Item of Equipment hereunder shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, the Owner Trustee nonetheless agrees to pay to the Equipment Trust Trustee an amount equal to each ETA Rent payment under Section 5.03 at the time such payment would have become due and payable in accordance with the terms hereof had the lease of such Item of Equipment hereunder not been terminated in whole or in part. The Owner Trustee hereby waives, to the extent permitted by Applicable Law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of such Item of Equipment hereunder except in accordance with the express terms hereof. Each payment of ETA Rent made by the Owner Trustee shall be final as to the Equipment Trust Trustee and the Owner Trustee, and the Owner Trustee will not seek to recover all or any part of any such payment of ETA Rent from the Equipment Trust Trustee for any reason whatsoever.

Notwithstanding any other provision in this Section 5.04 to the contrary, the Owner Trustee shall not be impaired in the exercise of any right it may have to assert and sue upon any claim it may have against Lessee or the Equipment Trust Trustee in a separate action.

Section 5.05. Equipment Trust Trustee Representations and Warranties. THE EQUIPMENT TRUST TRUSTEE (EITHER IN ITS INDIVIDUAL CAPACITY OR AS EQUIPMENT TRUST TRUSTEE) HAS NOT MADE AND SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, CONDITION, WORKMANSHIP, DESIGN, PATENT INFRINGEMENT, OPERATION, MERCHANTABILITY, COMPLIANCE WITH

SPECIFICATIONS, CONSTRUCTION, PERFORMANCE, FITNESS FOR USE OF ANY ITEM OF EQUIPMENT OR ANY PART THEREOF OR AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF ANY ITEM OF EQUIPMENT OR ANY PART THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ITEM OF EQUIPMENT OR ANY PART THEREOF, except that the Equipment Trust Trustee in its individual capacity warrants that on the Delivery Date of an Item of Equipment (a) the Equipment Trust Trustee shall have received whatever title to such Item of Equipment was conveyed to it on such Delivery Date pursuant to Section 3 of the Participation Agreement, and (b) such Item of Equipment shall be free of Trustee's Liens attributable to it in its individual capacity.

Section 5.06. Assumption of Obligations of Owner Trustee by Lessee. In the event that Lessee, pursuant to Section 9(e) of the Lease, Section 20 of the Lease or Section 14 of the Participation Agreement, shall have elected to assume all of the rights and obligations of the Owner Trustee under this Agreement (including but not limited to all obligations under each Guaranty) pursuant to Section 20 of the Participation Agreement and, if on or prior to the date (the "Special Date") on which Lessee is to consummate such assumption under Section 14 of the Participation Agreement or is to consummate the purchase under Section 9(e) of the Lease or Section 20 of the Lease which purchase permits such assumption under Section 20 of the Participation Agreement:

(a) Lessee shall have delivered to the Equipment Trust Trustee an Officer's Certificate, dated the Special Date, stating that Lessee has paid to the Owner Trustee all amounts required to be paid to the Owner Trustee pursuant to Section 9(e) of the Lease or Section 20 of the Lease, or all amounts to be paid to the Owner Participant pursuant to Section 14 of the Participation Agreement, as the case may be, in connection with such purchase and assumption;

(b) no ETA Default or Event of Acceleration after giving effect to the supplement delivered pursuant to clause (e) below shall have occurred and be continuing immediately subsequent to such assumption and the Equipment Trust Trustee shall have received from Lessee an Officer's Certificate, dated the Special Date, to such effect;

(c) the Equipment Trust Trustee shall have received, on or prior to the Special Date, evidence of

all filings, recordings and other action referred to in the Opinion or Opinions of Counsel referred to below;

(d) the Equipment Trust Trustee shall have received an Opinion or Opinions of Counsel for Lessee, dated the Special Date, which without unusual qualification shall be to the effect that, after giving effect to the supplement referred to in clause (e) below:

(i) this Agreement constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity, and except as limited by applicable laws which may affect the remedies provided for in this Agreement, which laws, however, do not in the opinion of such counsel make the remedies provided for in this Agreement inadequate for the practical realization of the rights and benefits provided for in this Agreement;

(ii) each Guaranty constitutes the legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity;

(iii) the Lien of this Agreement on all Items of Equipment constitutes a fully-perfected Lien and all filing, recording or other action (specifying the same) necessary to perfect and protect the Lien of this Agreement has been accomplished; and

(iv) the Equipment Trust Trustee is entitled to the benefits of 11 U.S.C. § 1168 with respect to the Items of Equipment; and

(e) the Equipment Trust Trustee shall have received and executed a supplement to this Agreement giving effect to such assumption satisfactory to the Equipment Trust Trustee and the Owner Trustee dated the Special Date and duly executed by Lessee and the Owner Trustee;

then, automatically and without the requirement of further action by any Person, effective as of the Special Date, the Owner Trustee shall be released from all of its obligations under this Agreement and each Guaranty in respect of the Certificates or otherwise (other than any obligations or liabilities of the Owner Trustee in its individual capacity

incurred on or prior to the Special Date or arising out of or based upon events occurring on or prior to the Special Date, which obligations and liabilities shall remain the sole responsibility of the Owner Trustee).

ARTICLE 6

REDEMPTION OF CERTIFICATES

Section 6.01. No Redemption Prior to Maturity. Except as provided in Section 6.02, the Certificates may not be redeemed prior to maturity.

Section 6.02. Redemption of Certificates. The Certificates shall be redeemed, in whole or in part and subject to Section 6.06, as follows:

(A) In the event that title to any Railcar identified in Schedule A to the Railcar Purchase Agreement as originally executed is not vested in the Equipment Trust Trustee pursuant to Section 3 of the Participation Agreement and such Railcar is not subjected to the Lease (as evidenced by a Certificate of Acceptance covering such Railcar) on or before December 31, 1991, there shall be redeemed, in whole or in part, as the case may be, Outstanding Certificates at an aggregate redemption price equal to the sum of (1) an amount equal to the difference between (a) \$78,740,000 and (b) the sum of the aggregate principal components of ETA Rent set forth in Exhibit A to each Lease Supplement and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(B) In the event that an Event of Loss occurs to an Item of Equipment, Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the

Equipment Trust Estate immediately prior to such Event of Loss and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(C) In the event that the Lease with respect to any Item of Equipment is terminated pursuant to Section 9 thereof (unless Lessee shall have elected to assume the obligations of the Owner Trustee hereunder and under the Guaranties pursuant to Section 20 of the Participation Agreement), Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the Equipment Trust Estate immediately prior to such Redemption Date, (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date and (3) if such Redemption Date occurs prior to the Premium Termination Date, the Premium, if any, applicable thereto.

(D) In the event of a refinancing as contemplated by Section 19 of the Participation Agreement, the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of such Certificates, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date, and (3) if such Redemption Date occurs prior to the Premium Termination Date, the Premium, if any, applicable thereto.

(E) In the event that the Owner Trustee gives notice of redemption to the Equipment Trust Trustee pursuant to Section 7.03(e)(ii), the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of such Certificates, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date and (3) (x) if the notice of redemption is given pursuant to clause (a) of Section

7.03(e)(ii), the Premium, if any, applicable thereto or (y) if the notice of redemption is given pursuant to clause (b) of Section 7.03(e)(ii), without payment of any Premium.

(F) On each Sinking Fund Payment Date, Outstanding Certificates shall be redeemed in whole or in part by operation of the sinking fund provided in Article 13 for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the Sinking Fund Principal Payment for such Sinking Fund Payment Date and (2) the aggregate amount of interest accrued and unpaid to such Sinking Fund Payment Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed on such Sinking Fund Payment Date, but without payment of any Premium.

(G) In the event that Lessee exercises its option to purchase any Item of Equipment prior to the Basic Lease Termination Date pursuant to the first sentence of Section 20 of the Lease (unless Lessee shall have elected to assume the obligations of the Owner Trustee hereunder and under the Guaranties pursuant to Section 20 of the Participation Agreement), Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the Equipment Trust Estate immediately prior to such purchase and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(H) In the event that Lessee exercises its election to redeem the Certificates pursuant to Section 14 of the Participation Agreement, the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of such Certificates, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date, and (3) if such Redemption Date occurs

prior to the Premium Termination Date, the Premium, if any, applicable thereto.

Section 6.03. Notice of Redemption to Holders. Notice of redemption shall be given by the Equipment Trust Trustee by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder, at such Holder's address appearing in the Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the redemption price (other than the amount of Premium, if any),
- (3) whether the Holder is entitled to a Premium and the manner in which such Premium is calculated,
- (4) if less than all Outstanding Certificates are to be redeemed, the identification number (and the respective principal amounts) of the Certificates to be redeemed,
- (5) that on the Redemption Date, such redemption price will become due and payable upon each such Certificate, and that interest thereon shall cease to accrue on and after such Redemption Date, and
- (6) the place or places where such Certificates are to be surrendered for payment.

Section 6.04. Deposit of Redemption Price. On or before the Redemption Date, the Owner Trustee shall, to the extent an amount equal to the applicable redemption price shall not then be held in the Equipment Trust Estate, deposit or cause to be deposited with the Equipment Trust Trustee or the Paying Agent in immediately available funds an amount equal to such redemption price.

Section 6.05. Certificates Payable on Redemption Date. Notice of redemption having been given as aforesaid, the principal amount to be redeemed on a Redemption Date of each Certificate to be redeemed in whole or in part on such Redemption Date shall become due and payable at the principal corporate trust office of the Equipment Trust Trustee or at any office or agency maintained for such purposes pursuant to Section 2.04, and from and after such Redemption Date (unless there shall be a default in the payment of the applicable redemption price) such principal amount shall cease to bear interest. Upon surrender of any such Certificate for redemption in whole or in part in accordance with said notice, the unpaid principal amount of such Certificate,

together with interest accrued thereon and Premium, if any, shall be paid as provided for in this Article 6.

If any Certificate called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, continue to bear interest from the Redemption Date at the interest rate applicable to such Certificate.

Section 6.06. Certificates to Be Redeemed Ratably, Etc. Outstanding Certificates to be redeemed in part shall be redeemed ratably based on the respective unpaid principal amounts of such Outstanding Certificate. For all purposes of this Equipment Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of Certificates shall relate, in the case of any Certificate redeemed or to be redeemed only in part, to the portion of the principal of such Certificate which has been or is to be redeemed.

Section 6.07. Allocation of Redemption Payments. Upon receipt by the Equipment Trust Trustee of any payment of a redemption price under Section 6.02, the portion so received which is applied to principal pursuant to Article III shall be allocated among the respective Funding Dates as follows:

(a) in the case of a redemption under Section 6.02(B), Section 6.02(C) or Section 6.02(G), such portion shall be allocated to the Funding Date on which the Item of Equipment was delivered with respect to which such redemption was made, and

(b) in the case of a redemption under Section 6.02(F), such portion shall be allocated among the Funding Dates ratably according to the respective principal components of ETA Rent due on the Sinking Fund Payment Date therefor as set forth on Exhibit A to the Lease Supplement for each Funding Date.

Each portion so allocated to a particular Funding Date shall reduce those principal components of ETA Rent set forth on Exhibit A to the Lease Supplement for such Funding Date which become due after the Redemption Date with respect to which such portion has been received, and such reduction shall be made ratably based on the respective amounts of such principal components and the amount of Sinking Fund Principal Payments to be made on any subsequent Sinking Fund Payment Date as set forth in Exhibit B under the caption "Sinking Fund Principal Payment" shall be restated to reflect a decrease equal to the ratable amount of such reduction which is applied to the principal component of ETA Rent due on such Sinking Fund Payment Date. Amounts paid pursuant to Sections 6.02(A), 6.02(D), 6.02(E) and 6.02(H) shall not be allocated

to any Funding Date; provided, however, that upon receipt by the Equipment Trust Trustee of any payment of a redemption price under Section 6.02(A), the portion so received which is applied to principal pursuant to Article III shall reduce the amount of Sinking Fund Principal Payments thereafter to be made as set forth in Exhibit B under the caption "Sinking Fund Principal Payment" by restating the amount for each Sinking Fund Payment Date to reflect the total of the amounts set forth for such Sinking Fund Payment Date on Exhibit A to each Lease Supplement.

ARTICLE 7

REMEDIES OF THE EQUIPMENT TRUST TRUSTEE UPON AN EVENT OF ACCELERATION

Section 7.01. Events of Acceleration. The following events shall constitute "Events of Acceleration" under this Agreement (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) any installment of interest upon any Certificate shall not be paid when due and payable, or the principal amount of or Premium on or any sinking fund payment with respect to any Certificate shall not be paid when due and payable (whether upon redemption, final maturity, acceleration or otherwise) and such nonpayment of interest, principal, Premium or sinking fund payment shall continue for more than 10 days after the same shall have become due and payable (subject to the cure rights of the Owner Participant and the Owner Trustee under Section 7.03(e)(i)); or

(b) the Owner Trustee shall default in the payment of any ETA Rent required to be paid by it hereunder or the payment of any amount under any Guaranty and such default shall continue for more than 10 days after the same shall have become due and payable (subject to the cure rights of the Owner Participant and the Owner Trustee under Section 7.03(e)(i)); or

(c) any failure by the Owner Trustee, in its individual capacity or as Owner Trustee, to observe or perform any covenant or obligation required of it under this Agreement or any Guaranty, or any failure by the Owner Trustee or the Owner Participant to observe or perform any covenant or obligation required of either of them pursuant to Section 7(c), 7(f), 7(g), 8(b)(vii) or

8(f) of the Participation Agreement, or, to the extent that the interest of the Equipment Trust Trustee or any Holder of Outstanding Certificates is affected by such failure, in Sections 4.01(a), 5.01 and 10.01 of the Trust Agreement if, but only if, such failure is not remedied within a period of 30 days after there has been given to the Owner Trustee (with a copy to the Owner Participant) or the Owner Participant, as the case may be, by registered or certified mail, a written notice specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Acceleration" hereunder, by the Equipment Trust Trustee or by the Holders of at least 25% in principal amount of Outstanding Certificates (with a copy to the Equipment Trust Trustee); provided that no Event of Acceleration shall arise under this Section 7.01(c) solely as a result of a failure by the Owner Trustee or the Owner Participant to observe or perform any covenant contained in Section 7(c) or 8(f) of the Participation Agreement if Lessee shall have taken all action necessary to discharge all Lessor's Liens referred to in such Sections and shall have held the Equipment Trust Trustee and the Equipment Trust Estate harmless from all claims, losses and expenses arising from the failure of the Owner Trustee or the Owner Participant to observe and perform any such covenant; or

(d) any failure by the Owner Trustee, in its individual capacity or as trustee, to observe or perform any other covenant or obligation of the Owner Trustee contained in the Participation Agreement, or any failure by the Owner Participant to observe or perform any other covenant or obligation of the Owner Participant contained in the Participation Agreement which failure, in any case and either individually or together with other then existing failures, shall have a material adverse effect on the rights and interests of the Equipment Trust Trustee or the Holders and is not remedied within a period of 30 days after there has been given to the Owner Trustee and the Owner Participant by registered or certified mail, a written notice specifying such failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, by the Equipment Trust Trustee or by the Holders of at least 25% in principal amount of Outstanding Certificates; or

(e) any material representation or warranty made by the Owner Trustee, in its individual capacity or as Owner Trustee, or by the Owner Participant under the Participation Agreement, or by the Owner Trustee hereunder, or by the Owner Trustee, in its individual capacity or as Owner Trustee, or by the Owner Participant

in any document or certificate furnished to the Equipment Trust Trustee in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to have been incorrect in any material respect as of the date made and such incorrectness shall continue unremedied for a period of 30 days after there has been given, by registered or certified mail, to the Owner Trustee and the Owner Participant by the Equipment Trust Trustee, or to the Owner Trustee, the Owner Participant and the Equipment Trust Trustee by the Holders of at least 25% in principal amount of Outstanding Certificates, a written notice specifying such incorrectness and requiring it to be remedied and stating that such notice is a "Notice of Acceleration" hereunder; or

(f) subject to the cure rights of the Owner Participant and the Owner Trustee under Section 7.03(e)(i), an Event of Default other than an Event of Default arising by reason of nonpayment of, or failure to perform with respect to, any Excluded Payments when due; or

(g) either the Equipment Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity) or the Owner Participant shall (i) file, or consent by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of its creditors or (iii) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or any substantial part of its property; or

(h) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Equipment Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity) or the Owner Participant, as the case may be, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Equipment Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity) or the Owner

Participant, as the case may be, and any such order or petition is not dismissed or stayed within 90 days after the earlier of the entering of any such order or the approval of any such petition;

provided that any such Event of Acceleration shall be deemed to exist and continue so long as, but only as long as, it shall not have been remedied.

Section 7.02. Acceleration; Rescission and Annulment. If an Event of Acceleration occurs and is continuing, the Equipment Trust Trustee, by notice to the Owner Trustee and the Owner Participant (with a copy to Lessee), or the Holders of at least 25% in aggregate principal amount of Outstanding Certificates, by notice to the Equipment Trust Trustee, the Owner Trustee and the Owner Participant (with a copy to Lessee), may declare the principal of all the Certificates to be due and payable. Upon such declaration, such principal shall be due and payable immediately. At any time after such declaration and prior to the sale or disposition of the Equipment Trust Estate, the Holders of a majority in aggregate principal amount of all of the Outstanding Certificates, by notice to the Equipment Trust Trustee, the Owner Trustee and the Owner Participant (with a copy to Lessee), may rescind such a declaration and annul its consequences if (i) an amount sufficient to pay all interest due or past due in respect of the Certificates, the principal of and Premium, if any, on any Certificates which have become due otherwise than by such declaration of acceleration and interest thereon at the Overdue Rate (and to the extent permitted by Applicable Law interest upon overdue installments of interest on all Certificates at the Overdue Rate), and all sums due and payable to the Equipment Trust Trustee have been deposited with the Equipment Trust Trustee, (ii) the rescission would not conflict with any judgment or decree and (iii) all existing ETA Defaults and Events of Acceleration under this Agreement have been cured or waived except nonpayment of principal or interest that has become due solely because of such acceleration. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 7.03. Other Remedies Available to Equipment Trust Trustee. (a) After an Event of Acceleration shall have occurred and so long as such Event of Acceleration shall be continuing, then and in every such case the Equipment Trust Trustee, as trustee of an express trust and as assignee hereunder of the Lease or as legal title holder hereunder of each Item of Equipment or otherwise, may, and when required pursuant to the provisions of Article 8 shall, exercise, subject to Sections 7.03(e) and 7.03(f), any or all of the

rights and powers and pursue any and all of the remedies accorded to the Owner Trustee pursuant to Section 15 of the Lease and this Article 7, may recover judgment in its own name as Equipment Trust Trustee against the Equipment Trust Estate and may take possession of all or any part of the Equipment Trust Estate and may exclude the Owner Trustee and the Owner Participant and all persons claiming under any of them wholly or partly therefrom.

(b) Subject to Sections 7.03(e) and 7.03(f), the Equipment Trust Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and either with or without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Owner Trustee and the Owner Participant (with a copy to Lessee) once at least 30 days prior to the date of such sale and any other notice which may be required by law, sell and dispose of the Equipment Trust Estate, or any part thereof or interest therein, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Equipment Trust Trustee may determine, and at any place (whether or not it be the location of the Equipment Trust Estate or any part thereof) and time designated in the notice above referred to; provided, however, that notwithstanding any provision herein to the contrary, the Equipment Trust Trustee shall not sell any of the Equipment Trust Estate unless a declaration of acceleration has been made pursuant to Section 7.02. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and the Equipment Trust Trustee and the Holder or Holders of any Certificates, or any interest therein, may bid and become the purchaser at any such sale. The Equipment Trust Trustee may exercise such right without possession or production of the Certificates or proof of ownership thereof, and as representative of the Holders may exercise such right without notice to the Holders or including the Holders as parties to any suit or proceeding relating to foreclosure of any property in the Equipment Trust Estate. The Owner Trustee hereby irrevocably constitutes the Equipment Trust Trustee the true and lawful attorney-in-fact of the Owner Trustee (in the name of the Owner Trustee or otherwise) for the purpose of effectuating any sale, assignment, transfer or delivery for enforcement of the Lien created under this Agreement, whether pursuant to foreclosure or power of sale or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as the Equipment Trust Trustee may consider

necessary or appropriate, with full power of substitution, the Owner Trustee hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. Nevertheless, if so requested by the Equipment Trust Trustee or any purchaser, the Owner Trustee shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Equipment Trust Trustee or such purchaser all bills of sale or other title documents, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request. The Equipment Trust Trustee agrees that the Owner Participant and the Owner Trustee shall each have the rights of a "debtor" under Section 9-505(2) of the Uniform Commercial Code and shall be entitled to receive the notice referred to therein.

(c) Subject to Sections 7.03(e) and 7.03(f), if an Event of Acceleration has occurred and is continuing, the Owner Trustee shall, at the request of the Equipment Trust Trustee, promptly execute and deliver to the Equipment Trust Trustee such instruments of title or other documents as the Equipment Trust Trustee may deem necessary or advisable to enable the Equipment Trust Trustee or an agent or representative designated by the Equipment Trust Trustee, at such time or times and place or places as the Equipment Trust Trustee may specify, to obtain possession of all or any part of the Equipment Trust Estate. If the Owner Trustee shall for any reason fail to execute and deliver such instruments and documents after such request by the Equipment Trust Trustee, the Equipment Trust Trustee shall be entitled, in a proceeding to which the Owner Trustee shall be a necessary party, to a judgment for specific performance of the covenants contained in the foregoing sentence, conferring upon the Equipment Trust Trustee the right to immediate possession and requiring the Owner Trustee to execute and deliver such instruments and documents to the Equipment Trust Trustee. The Equipment Trust Trustee shall also be entitled to pursue all or any part of the Equipment Trust Estate wherever it may be found and may enter any of the premises of the Owner Trustee or any other Person wherever the Equipment Trust Estate may be or be supposed to be and search for the Equipment Trust Estate and take possession of any Item of Equipment pursuant to this Section 7.03(c). The Equipment Trust Trustee may, but shall not be obligated to, from time to time, at the expense of the Equipment Trust Estate, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of the Equipment Trust Estate as it may deem proper. In each such case, the Equipment Trust Trustee shall have the right to use, operate, store, lease, control or manage the Equipment Trust Estate, and to exercise all rights and powers

of the Owner Trustee relating to the Equipment Trust Estate, as the Equipment Trust Trustee shall deem appropriate, including the right to enter into any and all such agreements with respect to the use, operation, storage, leasing, control or management of the Equipment Trust Estate or any part thereof; and the Equipment Trust Trustee shall be entitled to collect and receive directly all tolls, rents (including Rent), issues, profits, products, revenues and other income of the Equipment Trust Estate and every part thereof, without prejudice, however, to the right of the Equipment Trust Trustee under any provision of this Agreement to collect and receive all cash held by, or required to be deposited with, the Equipment Trust Trustee hereunder. In accordance with the terms of this Section 7.03(c), such tolls, rents (including Rent), issues, profits, products, revenues and other income shall be applied to pay the expenses of using, operating, storing, leasing, controlling or managing the Equipment Trust Estate, and of all maintenance, insurance, repairs, replacements, alterations, additions and improvements thereto, and to make all payments which the Equipment Trust Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Equipment Trust Estate or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Owner Trustee and, to the extent permitted by the Lease, of Lessee), and all other payments which the Equipment Trust Trustee may be required or authorized to make under any provision of this Agreement, including this Section 7.03(c), as well as just and reasonable compensation for the services of the Equipment Trust Trustee, and of all persons properly engaged and employed by the Equipment Trust Trustee.

If an Event of Acceleration occurs and is continuing and the Equipment Trust Trustee shall have obtained possession of an Item of Equipment, the Equipment Trust Trustee shall not be obligated to use or operate such Item of Equipment or cause such Item of Equipment to be used or operated directly or indirectly by itself or through agents or other representatives or to lease, license or otherwise permit or provide for the use or operation of such Item of Equipment by any other Person unless (i) the Equipment Trust Trustee shall have been able to obtain insurance in kinds, at rates and in amounts satisfactory to it in its discretion to protect the Equipment Trust Estate and the Equipment Trust Trustee, as trustee and individually, against any and all liability for loss or damage to such Item of Equipment and for public liability and property damage resulting from use or operation of such Item of Equipment and (ii) funds are available in the Equipment Trust Estate to pay for all such

insurance or, in lieu of such insurance, the Equipment Trust Trustee is furnished with indemnification from the Holders or any other Person upon terms and in amounts satisfactory to the Equipment Trust Trustee in its discretion to protect the Equipment Trust Estate and the Equipment Trust Trustee, as trustee and individually, against any and all such liabilities.

(d) Subject to Sections 7.03(e) and 7.03(f), the Equipment Trust Trustee may proceed to protect and enforce this Agreement and the Certificates by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Equipment Trust Estate or any part thereof, or for the recovery of judgment for the indebtedness secured by the Lien created under this Agreement or for the enforcement of any other legal or equitable remedy available under applicable law.

(e) (i) If Lessee shall fail to make any payment of Basic Rent under the Lease within 10 days after the same shall become due, and if such failure of Lessee to make such payment of Basic Rent shall not constitute the fourth or subsequent consecutive such failure or the seventh or subsequent cumulative such failure, then so long as no Event of Acceleration which is not an Event of Default shall have occurred and be continuing the Owner Participant or the Owner Trustee may (but need not) pay to the Equipment Trust Trustee, at any time prior to the expiration of a period of 15 days (the "15-Day Period") after the Equipment Trust Trustee gives the Owner Trustee and the Owner Participant notice of the expiration of the 10 days first referred to in this Section 7.03(e)(i) (prior to the expiration of which 15-Day Period the Equipment Trust Trustee shall not declare the Lease in default pursuant to Section 15 thereof or exercise any of the rights, powers or remedies pursuant to Section 15 of the Lease or this Article 7), an amount equal to the full amount of such payment of Basic Rent (or, if less, the aggregate of all amounts then due and payable hereunder or to be paid from such payment of Basic Rent to any Person other than the Owner Trustee as certified by the Owner Participant to the Equipment Trust Trustee and agreed by the Equipment Trust Trustee), together with any interest due thereon on account of the delayed payment thereof, and such payment by the Owner Participant or the Owner Trustee shall be deemed to cure any Event of Acceleration which arose from such failure of Lessee (but such cure shall not relieve Lessee of any of its obligations). If Lessee shall fail to perform or observe any covenant, condition or agreement to be

performed or observed by it under the Lease, and if (but only if) the performance or observance thereof can be effected by the payment of money alone (it being understood that actions such as the obtaining of insurance and the procurement of maintenance services can be so effected), then as long as no other Event of Acceleration which is not an Event of Default shall have occurred and be continuing, the Owner Participant or the Owner Trustee may (but need not) pay to the Equipment Trust Trustee (or to such other person as may be entitled to receive the same), at any time prior to the expiration of a period of 15 days (or, in the case of a failure by Lessee to perform its obligations under Section 7(a) of the Lease, a period (the "Certified Period") not to exceed 120 days certified to the Equipment Trust Trustee in writing by an independent engineer of Lessee as the period required for the Owner Trustee to cause prompt compliance with such obligations) after the expiration of the grace period, if any, provided with respect to such failure on the part of Lessee in Section 14 of the Lease (prior to the expiration of which 15-day period or Certified Period, as the case may be, the Equipment Trust Trustee shall not declare the Lease in default pursuant to Section 15 thereof or exercise any of the rights, powers or remedies pursuant to Section 15 of the Lease or this Article 7), all sums necessary to effect the performance or observance of such covenant or agreement of Lessee, together with any interest due thereon on account of the delayed payment thereof, and such payment by the Owner Participant or the Owner Trustee shall be deemed to cure any Event of Acceleration which arose from such failure of Lessee (but such cure shall not relieve Lessee of any of its obligations). Any notice required to be given to the Owner Participant shall be given at the address specified for the Owner Participant in Section 14.02. Upon any payment of Basic Rent by the Owner Participant or the Owner Trustee in accordance with the first sentence of this Section 7.03(e)(i), or upon any payment of any other sums by the Owner Participant or the Owner Trustee in accordance with the second sentence of this Section 7.03(e)(i), the Owner Participant or the Owner Trustee shall, to the extent of their respective payments, be subrogated, in the case of any such payment in accordance with such first sentence, to the rights of the Equipment Trust Trustee, as assignee hereunder of the Owner Trustee, or, in the case of any such payment in accordance with such second sentence, to the rights of the Equipment Trust Trustee or such other person, as the case may be, which actually received such payment, to receive such payment of Basic Rent or such other payment, as the case may be (and any interest due thereon on account of the delayed payment thereof), and shall be entitled to receive such payment upon its receipt by the Equipment Trust Trustee or such other person, as aforesaid (but in each case only if all

amounts of principal of, and Premium, if any, and interest at the time due and payable on, the Certificates together with interest due thereon on account of the delayed payment thereof shall have been paid in full); provided that neither the Owner Participant nor the Owner Trustee shall attempt to recover any such amount paid by it on behalf of Lessee pursuant to this Section 7.03(e) except by demanding of Lessee payment of such amount or by commencing an action against Lessee to require the payment of such amount pursuant to Section 15(e), but only said Section 15(e), of the Lease.

The Equipment Trust Trustee shall provide notice to the Owner Participant and the Owner Trustee of any failure of Lessee to make any payment of Basic Rent under the Lease within 10 days after the same shall become due and any failure by Lessee to perform or observe any covenant, condition or agreement to be performed or observed by it under the Lease known by it promptly after such failure; provided that any failure of the Equipment Trust Trustee to furnish such notice shall not impair or affect any of the rights of the Equipment Trust Trustee or the Holders hereunder. For all purposes of this Agreement, neither the Equipment Trust Trustee nor the Owner Trustee shall be deemed to have knowledge of any fact unless one of its Responsible Officers shall have actual knowledge.

(ii) In the event that (a) at any time one or more Events of Default shall have occurred and any such Event of Default shall have continued for a period of 90 days or more (but less than a period of one year), during which time the Certificates shall not have been accelerated pursuant to Section 7.02, or (b)(i) the Certificates shall have been accelerated pursuant to Section 7.02 or (ii) at any time one or more Events of Default shall have occurred and any such Event of Default shall have continued for a period of one year or more, during which time the Certificates shall not have been accelerated pursuant to Section 7.02, the Owner Trustee may, at its option, give notice to the Equipment Trust Trustee that the Owner Trustee will redeem all Certificates then Outstanding, which redemption shall be pursuant to clause (E) of Section 6.02 and concurrently with such notice, the Owner Trustee will deposit with the Equipment Trust Trustee, whether or not an Event of Acceleration is then continuing, an amount sufficient to redeem at the applicable redemption price all Certificates then Outstanding (including, in the case of a redemption pursuant to clause (a) of this Section 7.03(e)(ii), the estimated Premium) and to pay the Equipment Trust Trustee all amounts then due it hereunder, which funds shall be held by the Equipment Trust Trustee as provided in Section 8.04(a). Upon the receipt of such funds, the Equipment Trust Trustee

will terminate any foreclosure proceedings then in progress. If such notice is given, the Owner Trustee further agrees that it will deposit or cause to be deposited with the Equipment Trust Trustee, on or prior to the Business Day preceding the applicable Redemption Date, whether or not an Event of Acceleration is then continuing, funds sufficient, when added to the funds already held by the Equipment Trust Trustee for such purpose, to redeem at the applicable redemption price (including the Premium, if any, actually payable in respect thereof) on such Redemption Date all Certificates then Outstanding and to pay the Equipment Trust Trustee all amounts then due it hereunder.

(iii) Anything in this Agreement to the contrary notwithstanding, the Equipment Trust Trustee shall not be entitled to exercise any remedy hereunder as a result of an Event of Acceleration which arises solely by reason of one or more events or circumstances which constitute an Event of Default unless the Equipment Trust Trustee as security assignee of the Owner Trustee shall have exercised or concurrently be exercising one or more of the remedies provided for in Section 15 of the Lease, provided that the requirement to exercise such remedies under the Lease shall not apply in circumstances where the Equipment Trust Trustee is, and has been for a continuous period in excess of 60 days, involuntarily stayed or prohibited by applicable law or court order from exercising such remedies under the Lease (provided that the foregoing proviso shall not be given effect in the following situations: (A) Lessee's agreement with the approval of the relevant court to perform the Lease in accordance with Section 1168(a) of the Bankruptcy Code or an extension with the consent of the Equipment Trust Trustee of the 60-day period specified therein pursuant to Section 1168(b) of the Bankruptcy Code, (B) Lessee's assumption with the approval of the relevant court of the Lease pursuant to Section 365 of the Bankruptcy Code or (C) the Equipment Trust Trustee's own failure to give any requisite notice to any Person), it being understood that references in this sentence to particular sections of the Bankruptcy Code as in effect on the date hereof shall include any substantially similar successor provisions.

(f) Notwithstanding any provision of this Agreement to the contrary, including, without limitation, Sections 7.03(b), 7.03(c) and 7.03(d), as long as no Event of Default shall have occurred and be continuing, neither the Equipment Trust Trustee nor the Owner Trustee shall take any action contrary to, or disturb, Lessee's rights under the Lease, including, without limitation, (x) the right to receive all monies due and payable to it in accordance with the provisions of the Lease and (y) Lessee's rights to possession and use of, and to quiet enjoyment of, the Items of Equipment.

(g) Each and every right, power and remedy herein given to the Equipment Trust Trustee specifically or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Equipment Trust Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Equipment Trust Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner Trustee or Lessee or to be an acquiescence therein.

(h) Notwithstanding any other provision hereof, if any payment of principal of any Certificate shall not be made when the same shall become due and payable, or if any payment of interest on any Certificate shall not be made when the same shall become due and payable and such failure shall continue for the period prescribed in Section 7.01(a), the Equipment Trust Trustee shall be entitled to recover judgment, in its own name and as trustee of an express trust, upon such Certificate for the whole amount of such principal or interest, as the case may be, remaining unpaid.

Section 7.04. Waiver of Owner Trustee. To the extent now or at any time hereafter enforceable under Applicable Law, the Owner Trustee covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of, any stay or extension of law now or at any time hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Equipment Trust Estate or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every Person, except decree or judgment creditors of the Owner Trustee acquiring any interest in or title to the Equipment Trust Estate or any part thereof subsequent to the date of this Agreement, all benefit and advantage of any such law or laws, and covenants

that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Equipment Trust Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted. Nothing in this Section 7.04 shall be deemed to be a waiver by the Owner Trustee of its rights under Section 7.03(e).

The Equipment Trust Trustee may maintain a proceeding of the kind contemplated in the preceding paragraph even if it does not possess any of the Certificates or does not produce any of them in the proceeding. A delay or omission by the Equipment Trust Trustee or any Holder in exercising any right or remedy accruing upon an Event of Acceleration under this Agreement shall not impair the right or remedy or constitute a waiver of or acquiescence in such Event of Acceleration.

Section 7.05. Waiver of Existing Defaults. The Holders of a majority in aggregate principal amount of the Outstanding Certificates by notice to the Equipment Trust Trustee may waive on behalf of the Holders of all the Certificates an existing ETA Default or Event of Acceleration and its consequences except (i) an ETA Default or Event of Acceleration in the payment of the principal of or Premium, if any, or interest on any Certificate or any sinking fund payment with respect to any Certificate or (ii) in respect of a covenant or provision hereof which, pursuant to Section 10.02, cannot be amended or modified without the consent of each Holder affected thereby.

Section 7.06. Control by Majority. The Holders of a majority in principal amount of the Outstanding Certificates may direct the time, method and place of conducting any proceeding for any remedy available to the Equipment Trust Trustee or exercising any trust or power conferred on it by this Agreement. However, the Equipment Trust Trustee may refuse to follow any direction that conflicts with law or this Agreement, that is unduly prejudicial to the rights of the Holders not joining therein or that would, in the opinion of counsel to the Equipment Trust Trustee, create a reasonable likelihood of personal liability on the part of the Equipment Trust Trustee.

Section 7.07. Limitation on Suits by Holders. A Holder may pursue a remedy under this Agreement or the Certificates only if:

- (1) the Holder gives to the Equipment Trust Trustee written notice of a continuing Event of Acceleration under this Agreement;

(2) the Holders of at least 25% in aggregate principal amount of the Certificates make a written request to the Equipment Trust Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Equipment Trust Trustee indemnity satisfactory to the Equipment Trust Trustee against any loss, liability or expense to be, or which may be, incurred by the Equipment Trust Trustee in pursuing the remedy;

(4) the Equipment Trust Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the Certificates do not give the Equipment Trust Trustee a direction inconsistent with the request.

A Holder may not use this Agreement to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 7.08. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Agreement, the right of any Holder to receive payment of principal of, and Premium, if any, and interest on his Certificate on or after the respective due dates expressed in the Certificate, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 7.09. Equipment Trust Trustee May File Proofs of Claim. The Equipment Trust Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Equipment Trust Trustee and of the Holders allowed in any judicial proceedings relating to Lessee or the Owner Trustee, their respective creditors, or their property.

Section 7.10. Undertaking for Costs. All parties to this Agreement agree, and each Holder of any Certificate by his acceptance thereof shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Agreement or in any suit against the Equipment Trust Trustee for any action taken or omitted by it as Equipment Trust Trustee, a court in its discretion may require the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and the court in its discretion may assess reasonable costs, including

reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit instituted by the Equipment Trust Trustee, a suit instituted by a Holder for the enforcement of the payment of principal of or Premium, if any, or interest on any Certificate, on or after the respective due dates expressed in such Certificate, or a suit by a Holder or Holders of more than 10% in aggregate principal amount of Outstanding Certificates.

ARTICLE 8

EQUIPMENT TRUST TRUSTEE

Section 8.01. Duties of Equipment Trust Trustee.

(a) If an Event of Acceleration has occurred and is continuing, the Equipment Trust Trustee shall, upon one of its Responsible Officers obtaining actual knowledge thereof, exercise its rights and powers under this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Acceleration:

(1) The Equipment Trust Trustee need perform only those duties that are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Equipment Trust Trustee.

(2) In the absence of bad faith on its part, the Equipment Trust Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Equipment Trust Trustee and conforming to the requirements of this Agreement. However, the Equipment Trust Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Agreement.

(c) The Equipment Trust Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(1) This paragraph does not limit the effect of paragraph (b) of this Section.

(2) The Equipment Trust Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers, unless it shall be proved that the Equipment Trust Trustee was grossly negligent in ascertaining the pertinent facts.

(3) The Equipment Trust Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with any direction received by it pursuant to Section 7.06.

(d) Every provision of this Agreement that in any way relates to the Equipment Trust Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Equipment Trust Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) Money held in trust by the Equipment Trust Trustee need not be segregated from other funds except to the extent required by law.

Section 8.02. Rights of Equipment Trust Trustee.

(a) The Equipment Trust Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Equipment Trust Trustee need not investigate any fact or matter stated in the document.

(b) Before the Equipment Trust Trustee acts or refrains from acting, it may consult with counsel or require an Officer's Certificate or an Opinion of Counsel from Lessee. The Equipment Trust Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on a resolution of the Board of Directors of Lessee, the written advice of counsel acceptable to Lessee and the Equipment Trust Trustee, Officer's Certificates or Opinions of Counsel provided by Lessee.

(c) The Equipment Trust Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Equipment Trust Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

Section 8.03. Individual Rights of Equipment Trust Trustee. The Equipment Trust Trustee in its individual or

any other capacity may become the owner or pledgee of Certificates and may otherwise deal with the Owner Trustee, Lessee or an Affiliate with the same rights it would have if it were not Equipment Trust Trustee. Any Agent may do the same with like rights. However, the Equipment Trust Trustee shall comply with Sections 310(b) and 311 of the Trust Indenture Act of 1939, as amended.

Section 8.04. Funds May Be Held by Equipment Trust Trustee or Paying Agent; Investments. (a) Subject to subsection (b) of this Section 8.04, any monies (including Deposited Cash) held by the Equipment Trust Trustee or the Paying Agent hereunder as part of the Equipment Trust Estate may, until paid out by the Equipment Trust Trustee or the Paying Agent as herein provided, be carried by the Equipment Trust Trustee or the Paying Agent on deposit with itself and neither the Equipment Trust Trustee nor the Paying Agent shall have any liability for interest upon any such monies except as expressly provided herein or in the other Operative Documents or as otherwise agreed in writing with the Owner Trustee.

(b) At any time and from time to time, so long as no Event of Acceleration shall have occurred and be continuing, the Equipment Trust Trustee shall, upon an Owner Trustee Request, invest and reinvest in Permitted Investments as specified in such Owner Trustee Request any monies on deposit with the Equipment Trust Trustee as part of the Equipment Trust Estate, and sell any Permitted Investments, in either case, at such prices, including accrued interest, as are set forth in such Owner Trustee Request, and such Permitted Investments shall be held by the Equipment Trust Trustee until so sold in trust as part of the Equipment Trust Estate. So long as no Event of Default shall have occurred and be continuing, Lessee shall give each Owner Trustee Request permitted by this Section 8.04(b).

Section 8.05. Notice of Defaults. (a) If an ETA Default or Event of Acceleration under this Agreement occurs and is continuing and if it is actually known to the Responsible Officers of the Equipment Trust Trustee, the Equipment Trust Trustee shall, within 30 days after the Equipment Trust Trustee obtains such knowledge, mail to each Holder notice of all uncured ETA Defaults and Events of Acceleration under this Agreement in the manner and to the extent provided in Section 8.05(b). Except in the case of an ETA Default in the payment of the principal of, Premium, if any, and interest on any Certificate, the Equipment Trust Trustee shall be protected in withholding the notice if and so long as the executive committee or a trust committee of directors and/or Responsible Officers in good faith

determines that withholding such notice is in the interest of Holders.

(b) Notice pursuant to this Section 8.05 shall be transmitted by first-class mail:

(1) to all Holders, as the names and addresses of such Holders appear upon the Register;

(2) to such Holders as have, within the two years preceding such a transmission, filed their names and addresses with the Equipment Trust Trustee for that purpose; and

(3) to all Holders whose names and addresses have been furnished to or received by the Equipment Trust Trustee pursuant to Section 2.06(a).

Section 8.06. Indemnification by Lessee. (a) So long as the Lease is in effect, the Equipment Trust Trustee shall not make any claim against the Equipment Trust Estate for any matter for which it is indemnified against by Lessee under the Participation Agreement without first making demand on Lessee for payment thereof.

(b) To secure the payment obligations of Lessee pursuant to this Section 8.06, the Equipment Trust Trustee shall have a Lien prior to the Certificates on all money or property held or collected by the Equipment Trust Trustee, except that held in trust to pay principal, Premium, if any, and interest on the Certificates.

Section 8.07. Replacement of Equipment Trust Trustee. (a) The resignation or removal of the Equipment Trust Trustee and the appointment of a successor Equipment Trust Trustee shall become effective only upon the successor Equipment Trust Trustee's acceptance of appointment as provided in this Section.

(b) The Equipment Trust Trustee may resign at any time by giving 30 days' notice to the Owner Trustee (with a copy to Lessee). The Holders of a majority in aggregate principal amount of the Outstanding Certificates may remove the Equipment Trust Trustee by so notifying the Equipment Trust Trustee and the Owner Trustee (with a copy to Lessee) and will promptly appoint a successor Equipment Trust Trustee for the Certificates with the consent of the Owner Trustee. The Owner Trustee may remove the Equipment Trust Trustee if:

(1) the Equipment Trust Trustee fails to comply with Section 8.09;

(2) the Equipment Trust Trustee is adjudged a bankrupt or an insolvent;

(3) a receiver or public officer takes charge of the Equipment Trust Trustee or its property; or

(4) the Equipment Trust Trustee becomes incapable of acting.

(c) If the Equipment Trust Trustee resigns or is removed, or if a vacancy exists in the office of Equipment Trust Trustee for any reason, with respect to the Certificates, the Owner Trustee shall promptly appoint a successor Equipment Trust Trustee.

(d) If a successor Equipment Trust Trustee does not take office within 30 days after the retiring Equipment Trust Trustee resigns or is removed, the retiring Equipment Trust Trustee, the Owner Trustee or a Holder who has been a bona fide Holder of a Certificate for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Equipment Trust Trustee.

(e) If the Equipment Trust Trustee fails to comply with Section 8.09, subject to Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of such Equipment Trust Trustee and the appointment of a successor Equipment Trust Trustee.

(f) A successor Equipment Trust Trustee shall deliver a written acceptance of its appointment to the retiring Equipment Trust Trustee and to the Owner Trustee (with a copy to Lessee). Thereupon, the resignation or removal of the retiring Equipment Trust Trustee shall become effective, and the successor Equipment Trust Trustee shall have all the rights, powers and duties of the retiring Equipment Trust Trustee for which the successor Equipment Trust Trustee is to be acting as Equipment Trust Trustee under this Agreement. The retiring Equipment Trust Trustee shall promptly transfer all property and all books and records relating to the administration of the Equipment Trust Estate held by it as Equipment Trust Trustee to the successor Equipment Trust Trustee. The Owner Trustee shall give notice of each appointment of a successor Equipment Trust Trustee if there are Certificates Outstanding, by mailing written notice of such event by first-class mail to the Holders.

Section 8.08. Successor Equipment Trust Trustee, Agents by Merger, Etc. If the Equipment Trust Trustee or any Agent consolidates with, merges or converts into, or

transfers all or substantially all of its corporate trust business assets to, another corporation, the successor corporation, without any further act, shall be the successor Equipment Trust Trustee or Agent, as the case may be.

Section 8.09. Eligibility; Disqualification. This Agreement shall at all times have an Equipment Trust Trustee which shall be a corporation organized and doing business under the laws of the United States of America, any State or Territory thereof or of the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by Federal, State, Territorial, or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 8.09 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

As long as Certificates are Book-Entry Certificates deposited with DTC, the Equipment Trust Trustee or its agent or affiliate shall be a FAST Agent and will have a CODX account with DTC, as such terms are defined under the rules and regulations of DTC.

In case at any time the Equipment Trust Trustee shall cease to be eligible in accordance with the provisions of this Section 8.09, the Equipment Trust Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

Section 8.10. Trustee's Liens. The Equipment Trust Trustee in its individual capacity agrees that it will at its own cost and expense promptly take such action as may be necessary to duly discharge and satisfy in full all Trustee's Liens on the Equipment Trust Estate attributable to it in its individual capacity.

Section 8.11. Name of Trust. The trust established hereunder shall be known as the "Conrail 1991 Equipment Trust A".

ARTICLE 9

SATISFACTION AND DISCHARGE; TERMINATION OF OBLIGATIONS

Section 9.01. Satisfaction and Discharge of Agreement; Termination of Obligations. Subject to Section

9.02, this Agreement shall cease to be of further effect, and the Owner Trustee and the Equipment Trust Trustee shall be deemed to have been discharged from their respective obligations with respect to the Certificates (and the Equipment Trust Trustee, on demand and at the expense of the Owner Trustee, shall execute proper instruments acknowledging satisfaction and discharge of this Agreement in respect of the Certificates, together with any other documents required to be executed upon expiration of the ETA Lease Term pursuant to Section 5.02, when

(a) either (i) all Certificates theretofore executed and delivered (other than (A) Certificates which have been mutilated, destroyed, lost or stolen and which have been replaced or exchanged as provided in Section 2.07 and (B) Certificates for the payment of which money held in trust hereunder has been paid to the Owner Trustee and discharged from such trust as provided in Section 14.01) have been delivered to the Equipment Trust Trustee for cancellation; or (ii) all Certificates not theretofore delivered to the Equipment Trust Trustee for cancellation have become due and payable (whether upon stated maturity or as a result of redemption), or will become due and payable (including as a result of a redemption in respect of which irrevocable notice has been given to the Equipment Trust Trustee on or prior to the date of the deposit mentioned below) at maturity within one year, and there has been deposited with the Equipment Trust Trustee in trust for the purpose of paying and discharging the entire indebtedness on the Certificates not theretofore cancelled by the Equipment Trust Trustee or delivered to the Equipment Trust Trustee for cancellation, an amount sufficient to discharge such indebtedness, including the principal of and interest and Premium, if any, on the Certificates to the date of such deposit (in the case of Certificates which have become due and payable), or to the maturity thereof or Redemption Date therefor, as the case may be;

(b) all other amounts then due and payable hereunder have been paid; and

(c) The Owner Trustee has caused Lessee to deliver to the Equipment Trust Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the satisfaction and discharge of this Agreement contemplated by this Section 9.01 have been complied with, as required by Section 11(b) of the Participation Agreement.

Section 9.02. Survival of Certain Obligations.
Notwithstanding the provisions of Section 9.01, the

obligations of the Equipment Trust Trustee contained in Sections 2.01 through 2.09, the rights, duties, immunities and privileges hereunder of the Equipment Trust Trustee, and the obligations of Lessee on behalf of the Owner Trustee contained in Section 14.01, shall survive.

Section 9.03. Monies to Be Held in Trust. All monies deposited with the Equipment Trust Trustee pursuant to Section 9.01 shall be held in trust and applied by it, in accordance with the provisions of the Certificates and this Agreement, to the payment, either directly or through any Paying Agent as the Equipment Trust Trustee may determine, to the Holders of all sums due and to become due thereon for principal, interest and Premium, if any, but such money need not be segregated from other funds except to the extent required by law.

Section 9.04. Monies to Be Returned to Owner Trustee. The Equipment Trust Trustee and any Paying Agent shall promptly pay or return to the Owner Trustee upon written request of the Owner Trustee any monies held by them at any time that are not required for the payment of the principal of and Premium, if any, and interest on the Certificates for which such monies have been deposited pursuant to Section 9.01.

ARTICLE 10

AMENDMENTS AND WAIVERS

Section 10.01. Amendments to this Agreement without Consent of Holders. The Owner Trustee and the Equipment Trust Trustee may enter into one or more agreements supplemental hereto without the consent of any Holder for any of the following purposes:

(1) to cure any ambiguity, defect or inconsistency herein or in the Certificates or to make any change not inconsistent with the provisions hereof; provided that such action does not adversely affect the interests of any Holder;

(2) to evidence the succession of another party as the Owner Trustee in accordance with the terms of the Trust Agreement, to evidence the succession of another corporation to Lessee, or to evidence (in accordance with Article 8) the succession of a new Equipment Trust Trustee hereunder, the removal of the Equipment Trust Trustee under Section 8.07 or the appointment of any co-trustee or co-trustees or any separate or additional

trustee or trustees to the Equipment Trust Trustee or the Owner Trustee;

(3) to convey, transfer, assign, mortgage or pledge any property to or with the Equipment Trust Trustee or to make any other provisions with respect to matters or questions arising hereunder so long as such action shall not adversely affect the interests of the Holders;

(4) to correct or amplify the description of any property at any time subject to the Lien of this Agreement or better to assure, convey and confirm unto the Equipment Trust Trustee any property subject or required to be subject to the Lien of this Agreement, in accordance herewith or with the Lease;

(5) to add to the covenants of the Owner Trustee, for the benefit of the Holders, or to surrender any rights or power herein conferred upon the Owner Trustee or the Owner Participant;

(6) to add to the rights of the Holders;

(7) to supplement this Agreement to provide for the issuance of the Certificates in the aggregate principal amount, and having the maturity and interest rate, specified in the Offering Memorandum and the Certificate Purchase Agreement referred to therein, and so as to provide for any changes in the Certificates and this Agreement as may be required in order for the Certificates and this Agreement to be consistent with the description thereof contained in the Offering Memorandum and such Certificate Purchase Agreement; and

(8) to supplement this Agreement to provide for Lessee to assume the obligations of the Owner Trustee under this Agreement and the Guaranties pursuant to Section 5.06.

Section 10.02. Amendments to this Agreement with Consent of Holders. (a) With the written consent of the Holders of a majority of the aggregate principal amount of the Outstanding Certificates, the Owner Trustee and the Equipment Trust Trustee may enter into one or more agreements supplemental hereto to add any provisions to, or to change or eliminate any provisions of, this Agreement or of any prior supplemental agreement or to modify the rights of the Holders; provided, however, that without the consent of each Holder affected thereby, no supplemental agreement under this Section 10.02 shall:

(1) change the stated maturity of the principal of, or the date of payment of any installment of interest on or any sinking fund payment or other payment of redemption price (including Premium) with respect to, any Certificate, or change the dates upon which ETA Rent with respect to any such payment is payable, or reduce the amount of any thereof, or change to a location outside the United States the place of payment where, or the coin or currency in which, any payment hereunder is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity or required date of payment thereof (or, in the case of redemption, on or after the date fixed for redemption); or

(2) create any Lien on the Equipment Trust Estate prior to or pari passu with the Lien thereon under this Agreement except such as are permitted by this Agreement, or deprive any Holder of the benefit of the Lien on the Equipment Trust Estate created by this Agreement; or

(3) reduce the percentage in principal amount of the Outstanding Certificates, the consent of whose Holders is required for any such supplemental agreement, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Agreement or of certain defaults hereunder or their consequences) provided for in this Agreement; or

(4) modify any provisions of the Guaranties; or

(5) make any change in Section 7.05 or 7.08 or this Section 10.02(a).

(b) It is not necessary under this Section 10.02 for the Holders to consent to the particular form of any proposed supplemental agreement, but it is sufficient if they consent to the substance thereof.

(c) Promptly after the execution by the Owner Trustee and the Equipment Trust Trustee of any supplemental agreement pursuant to the provisions of this Section 10.02, the Equipment Trust Trustee shall transmit by first-class mail a notice, setting forth in general terms the substance of such supplemental agreement, to all Holders, as the names and addresses of such Holders appear on the Register. Any failure of the Equipment Trust Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

Section 10.03. Revocation and Effect of Consents.
Until a supplemental agreement or waiver becomes effective, a

consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder, even if notation of the consent is not made on any Certificate. However, any such Holder or subsequent Holder may revoke the consent as to his Certificate if the Equipment Trust Trustee receives the notice of revocation before the date the supplemental agreement or waiver becomes effective. After a supplemental agreement or waiver becomes effective, it shall bind every Holder affected thereby.

Section 10.04. Notation on or Exchange of Certificates. The Equipment Trust Trustee may place an appropriate notation about a supplemental agreement or waiver on any Certificate thereafter executed. The Equipment Trust Trustee in exchange for such Certificates may execute new Certificates that reflect the supplemental agreement or waiver.

Section 10.05. Equipment Trust Trustee and Owner Trustee Protected. The Equipment Trust Trustee and the Owner Trustee need not sign any supplemental agreement that adversely affects their respective rights.

Section 10.06. Amendments, Waivers, Etc. of Other Operative Documents. (a) Without the consent of the Holders of a majority in principal amount of Outstanding Certificates, the respective parties to the Participation Agreement, the Lease and the Trust Agreement may not modify, amend or supplement any of said agreements, or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided, however, that the actions specified in subsection (b) of this Section 10.06 may be taken without the consent of any Holder.

(b) Subject to the provisions of subsection (c) of this Section 10.06, the respective parties to the Participation Agreement, the Lease and the Trust Agreement, at any time and from time to time without the consent of the Equipment Trust Trustee or of any Holder may:

(1) so long as no Event of Acceleration shall have occurred and be continuing, modify, amend or supplement the Lease, or give any consent, waiver, authorization or approval with respect thereto, except that without compliance with subsection (a) of this Section 10.06, the parties to the Lease shall not modify, amend or supplement, or give any consent, waiver, authorization or approval for the purpose of adding any provisions to or

changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder, with respect to the following provisions of the Lease as originally executed: the first sentence of Section 2, Section 3(a), the second paragraph of Section 3(b), Section 3(c), Section 3(d) (except insofar as it relates to address or account information), the first and third paragraphs of Section 3(e) (other than the definition of Net Economic Return or matters relating to tax law), Sections 4, 6, 8 (to the extent any provision therein refers to the Equipment Trust Trustee), 9, 10, 11, 12, 13, 14, 15, 16, 18 and 22 and the fourth sentence of Section 27 (except that additional requirements may be imposed on Lessee's ability to terminate the Lease under Section 9 and additional insurance requirements may be imposed on Lessee under Section 11) and any definition of terms used in the Lease, to the extent that any modification of such definition would result in a modification of the Lease not permitted pursuant to this subsection (b); provided that in the event an Event of Acceleration shall have occurred and be continuing, the Equipment Trust Trustee shall have all rights of the Owner Trustee as "Lessor" under the Lease to modify, amend or supplement the Lease or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of "Lessor" thereunder; provided further that without the prior consent of the Owner Trustee, and whether or not an Event of Acceleration shall have occurred and be continuing, no such action shall be taken with respect to any of the provisions of Sections 3, 5, 6, 7, 8, 9, 10, 11, 12, 18, 19, 20, 24, 25 and 26 of the Lease or to the extent such action shall affect the amount or timing of any amounts payable by Lessee under the Lease as originally executed (or as subsequently modified with the consent of the Owner Trustee) which absent the occurrence and continuance of an Event of Acceleration will be distributable to the Owner Trustee under Article 3 or any other section of the Lease; and provided further that the parties to the Lease may take any such action without the consent of the Equipment Trust Trustee or any Holder to the extent such action relates solely to the payment of amounts constituting, or the Owner Trustee's, the Owner Participant's or Lessee's rights or obligations with respect to, Excluded Payments;

(2) modify, amend or supplement the Trust Agreement, or give any consent, waiver, authorization or approval with respect thereto, in each case only to the

extent any such action shall adversely impact the interests of the Holders;

(3) modify, amend or supplement the Participation Agreement, or give any consent, waiver, authorization or approval with respect thereto, except that without compliance with subsection (a) of this Section 10.06 the parties to the Participation Agreement shall not modify, amend or supplement, or give any consent, waiver, authorization or approval for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder, with respect to the following provisions of the Participation Agreement as originally executed: Sections 2, 3, 6, 7, 8, 9, 11, 13, 14, 15, 16, 19, 20 and 21 (insofar as such Sections 6, 7, 8, 9, 13, 15, 16 and 21 relate to the Equipment Trust Trustee and the Holders) and any definition of terms used in the Participation Agreement, to the extent that any modification of such definition would result in a modification of the Participation Agreement not permitted pursuant to this subsection (b) in each case only to the extent any such action shall adversely impact the interests of the Holders; and

(4) modify, amend or supplement any of said agreements in order to cure any ambiguity, to correct or supplement any provisions thereof which may be defective or inconsistent with any other provision thereof or of any provision of this Agreement, or to make any other provision with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement, provided such action shall not adversely affect the interests of the Holders.

(c) Anything in this Agreement to the contrary notwithstanding, no modification, amendment, supplement, consent, waiver, authorization or approval with respect to the Lease or the Participation Agreement, whether effected pursuant to Section 10.06(a) or 10.06(b), shall, without the consent of the Holder of each Outstanding Certificate affected thereby:

(1) modify, amend or supplement the Lease in such a way as to extend the time of payment of Interim Rent or Basic Rent, amounts payable pursuant to Section 26 of the Lease, amounts payable pursuant to the second sentence of Section 3(c) of the Lease, Stipulated Loss Value or Termination Value payable under, or as provided in, the Lease as originally executed, or reduce the aggregate

amount of Stipulated Loss Value or Termination Value so that the same is less than the accrued interest on and principal of the Certificates at the time Outstanding, or

(2) modify, amend or supplement the Lease in such a way as to, or consent to any assignment of the Lease or give any consent, waiver, authorization or approval which would, release Lessee from its obligation in respect of payment of Interim Rent or Basic Rent, amounts payable pursuant to Section 26 of the Lease, amounts payable pursuant to the second sentence of Section 3(c) of the Lease, Stipulated Loss Value or Termination Value payable under, or as provided in, the Lease as originally executed, except for any such assignment pursuant to Section 11(d) of the Participation Agreement, and except as provided in the Lease as originally executed.

ARTICLE 11

ACTIONS TO BE TAKEN UPON TERMINATION OF LEASE

Subject to satisfaction of the conditions precedent set forth in Section 4.02, upon:

(a) termination of the Lease with respect to any Item of Equipment by Lessee pursuant to Section 9 thereof on the Termination Date and upon payment to the Equipment Trust Trustee of an amount equal to the redemption price specified in Section 6.02(C),

(b) termination of the Lease with respect to any Item of Equipment pursuant to Section 10 thereof on the Loss Payment Date, following an Event of Loss suffered by such Item of Equipment, and upon payment to the Equipment Trust Trustee of an amount equal to the redemption price specified in Section 6.02(B), or

(c) termination of the Lease with respect to any Item of Equipment following exercise of Lessee's purchase option under the first sentence of Section 20 of the Lease on the applicable Rent Payment Date and upon payment to the Equipment Trust Trustee of an amount equal to the redemption price specified in Section 6.02(G),

the Equipment Trust Trustee shall, without recourse or warranty (except as to the absence of Trustee's Liens), transfer all of the Equipment Trust Trustee's right, title and interest in and to such Item of Equipment to the Person contemplated by the relevant provisions of the Lease, and shall execute such instruments as may be reasonably requested

by the Owner Trustee to release the Lien of this Agreement on such Item of Equipment, the Lease and the Railcar Purchase Agreement.

ARTICLE 12

LESSEE'S RIGHT OF QUIET ENJOYMENT

Each Holder, by its acceptance of a Certificate, acknowledges notice of, and consents in all respects to, the term of the Lease, and expressly, severally and as to its own actions only, agrees that, notwithstanding any other provision of any of the Operative Documents, so long as no Event of Default has occurred and is continuing unremedied, it shall not take or cause to be taken any action contrary to Lessee's rights under the Lease, including, without limitation, the right to possession and use of each Item of Equipment.

ARTICLE 13

SINKING FUND

As a mandatory sinking fund for the retirement of the Certificates, the Owner Trustee will, until all Certificates shall have been paid or payment thereof duly provided for under the terms hereof, pay or cause to be paid to the Equipment Trust Trustee on each Sinking Fund Payment Date an amount in same day funds equal to the Sinking Fund Principal Payment for such Sinking Fund Payment Date, which payment shall be made in accordance with Section 5.03.

ARTICLE 14

MISCELLANEOUS

Section 14.01. Repayment of Monies for Certificate Payments Held by Equipment Trust Trustee. Any money deposited with the Equipment Trust Trustee or any Paying Agent in trust for the payment of the principal of or Premium, if any, or interest on any Certificate, including without limitation any money deposited pursuant to Article 9, and remaining unclaimed for two years and eleven months (or such lesser time as the Equipment Trust Trustee shall be satisfied, after sixty days' written notice from the Owner Trustee or Lessee, is one month prior to the escheat period provided under Applicable Law) shall be paid to the Owner Trustee; and the Holders of any Certificates Outstanding

shall thereafter, as unsecured general creditors, look only to Lessee (and Lessee shall be liable) for payment thereof, and all liability of the Owner Trustee, the Equipment Trust Trustee or any such Paying Agent with respect to such trust money shall thereupon cease; provided that the Equipment Trust Trustee or such Paying Agent, before being required to make any such repayment, shall upon written direction of the Owner Trustee or Lessee cause to be mailed to each such Holder notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of mailing, any unclaimed balance of such money then remaining will be repaid to the Owner Trustee as provided herein.

Section 14.02. Notices. (a) Any notice or communication by the Owner Trustee or the Equipment Trust Trustee to the other party is duly given if in writing and delivered in person or mailed by first-class mail:

if to Lessee, to:

Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Attention: Assistant Treasurer - Financing

if to the Equipment Trust Trustee, to:

Wilmington Trust Company
Rodney Square North
Wilmington, Delaware 19890

Attention: Corporate Trust Department

if to the Owner Trustee, to:

Meridian Trust Company
35 North Sixth Street
Reading, Pennsylvania 19603

Attention: Corporate Trust Department

with a copy to the Owner Participant at:

AT&T Capital Holdings International, Inc.
44 Whippany Road
Morristown, New Jersey 07962-1983

Attention: Senior VP-Lease and Project Finance
Senior VP, General Counsel and
Secretary

(b) The Owner Trustee or the Equipment Trust Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(c) Any notice or communication to Holders shall be mailed by first-class mail to the addresses for Holders shown on the Register and to addresses filed with the Equipment Trust Trustee for other Holders. Failure to so mail a notice or communication or any defect in such notice or communication shall not affect its sufficiency with respect to other Holders of that or any other Series entitled to receive notice.

(d) A notice or communication referred to in clause (a) above shall be deemed given when delivered.

Section 14.03. Communication by Holders with Other Holders. (a) Within fifteen business days after the receipt by the Equipment Trust Trustee of a written application by any three or more Holders (referred to herein as the "applicants") stating that the applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Certificates, and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof that each such applicant has owned a Certificate for a period of at least six months preceding the date of such application, the Equipment Trust Trustee shall, at its election, either:

(1) afford to such applicants access to all information furnished to or received by the Equipment Trust Trustee pursuant to Section 2.06(a); or

(2) inform such applicants as to the approximate number of Holders according to the most recent information furnished to or received by the Equipment Trust Trustee pursuant to Section 2.06(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Equipment Trust Trustee shall elect not to afford to such applicants access to such information, the Equipment Trust Trustee shall, upon the written request of such applicants, mail to all Holders copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Equipment Trust Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of such mailing, unless within five days after such

tender, the Equipment Trust Trustee shall mail to such applicants a written statement to the effect that, in the opinion of the Equipment Trust Trustee, such mailing would be contrary to the best interests of the Holders or would be in violation of Applicable Law.

(b) Every Holder of Certificates, by receiving and holding the same, agrees with the Owner Trustee and the Equipment Trust Trustee that none of the Owner Trustee or the Equipment Trust Trustee nor any agent thereof shall be deemed to be in violation of any existing law, or of any law hereafter enacted, by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 14.03(a), regardless of the source from which such information was derived, and that the Equipment Trust Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 14.03(a).

Section 14.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Owner Trustee to the Equipment Trust Trustee to take any action that the Owner Trustee has the right to request or apply for under this Agreement, the Owner Trustee shall furnish to the Equipment Trust Trustee:

(1) an Officer's Certificate stating that, in the opinion of the signer, all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and that the action to be taken by the Owner Trustee is in conformity with the requirements of this Agreement; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 14.05. Rules by Equipment Trust Trustee and Agents. The Equipment Trust Trustee may make reasonable rules for action by or a meeting of Holders. The Paying Agent or Registrar may make reasonable rules and set reasonable requirements for its functions.

Section 14.06. Non-Business Days. If a payment date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on the amount of such payment for the intervening period.

Section 14.07. Governing Law. This Agreement, the Certificates and the Guaranties shall be governed by and

construed in accordance with the laws of the State of New York.

Section 14.08. Execution in Counterparts. This Agreement may be executed in separate counterparts, each of which shall be an original, but such counterparts shall together constitute but one instrument.

IN WITNESS WHEREOF, the Owner Trustee and the Equipment Trust Trustee have caused this Agreement to be duly executed by their officers thereunto duly authorized, as of the date and year first above written.

MERIDIAN TRUST COMPANY,
not in its individual capacity,
except as otherwise expressly
provided in this Agreement, but
solely as Owner Trustee

By: 
Title: **PAUL M. CLANCY**
ACCOUNT OFFICER

WILMINGTON TRUST COMPANY

By: 
Title: **James P. Lawler**
Senior Financial Services Officer

STATE OF New York)
COUNTY OF New York) SS:

On this 20th day of August, 1991 before me personally appeared, Paul M. Clancy, to me personally known, who being by me duly sworn, says that (s)he is the Account Officer of MERIDIAN TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on August 20, 1991 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

ELIZABETH A. DUFFY
Notary Public, State of New York
No. 31-4969409
Qualified in New York County
Commission Expires 7-16-92

Elizabeth A. Duffy
Notary Public

[Notarial Seal]

My commission expires 7/16/92

STATE OF New York)
COUNTY OF New York) SS:

On this 20th day of August, 1991 before me personally appeared, James R. Carter, to me personally known, who being by me duly sworn, says that (s)he is the Sr. Fin. Services Officer of WILMINGTON TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on August 20, 1991 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

ELIZABETH A. DUFFY
Notary Public, State of New York
No. 31-4969409
Qualified in New York County
Commission Expires 7-16-92

Elizabeth A. Duffy
Notary Public

[Notarial Seal]

My commission expires 7/16/92

Form of Face of Certificate

This Certificate (or its predecessor) was originally issued in a transaction exempt from registration under the United States Securities Act of 1933, as amended (the "Securities Act"); and this Certificate may not be sold or otherwise transferred in the absence of such registration or an applicable exemption therefrom. Each purchaser of this Certificate is hereby notified that the seller of this Certificate may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder.

The Holder hereof, by purchasing this Certificate, agrees for the benefit of Consolidated Rail Corporation ("Conrail") and the Equipment Trust Trustee that (A) this Certificate may be resold, pledged or otherwise transferred, only (1) to Conrail, (2) to Merrill Lynch, Pierce, Fenner & Smith Incorporated, (3) to a person who the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a qualified institutional buyer that is aware that the resale, pledge or other transfer is being made in reliance on Rule 144A, (4) pursuant to an exemption from registration under the Securities Act in accordance with Rule 144, (5) in a transaction complying with the provisions of Regulation S under the Securities Act or (6) pursuant to such other exemption from registration under the Securities Act as may be acceptable to Conrail and that (B) the Holder will, and each subsequent Holder is required to, notify any purchaser of any Certificate from it of the transfer restrictions referred to in (A) above; provided that no resale, pledge or other transfer may be made pursuant to the provisions of (A)(4), (5) or (6) above prior to the giving of notice by the Equipment Trust Trustee that the Equipment Trust Trustee can deliver to the proposed transferee a definitive registered certificate representing Certificates being resold, pledged or otherwise transferred.

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Equipment Trust Trustee

* This legend to appear on Book-Entry Certificates to be deposited with The Depository Trust Company.

or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch the registered owner hereof, Cede & Co., has an interest herein.

\$ _____ No. _____

8.65% 1991 EQUIPMENT TRUST CERTIFICATE, SERIES A
Conrail 1991 Equipment Trust A

WILMINGTON TRUST COMPANY,
Not in its Individual Capacity
but Solely as Equipment Trust Trustee Under
an Equipment Trust Agreement Dated as of
August 1, 1991 with
MERIDIAN TRUST COMPANY,
Not in its Individual Capacity
but Solely as Owner Trustee

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Equipment Trust Trustee (the "Equipment Trust Trustee") under the Equipment Trust Agreement dated as of August 1, 1991 (the "Equipment Trust Agreement") between MERIDIAN TRUST COMPANY, not in its individual capacity, but solely as Owner Trustee (the "Owner Trustee") under the Trust Agreement dated as of August 1, 1991 (the "Trust Agreement") with the owner participant named therein (the "Owner Participant"), and the Equipment Trust Trustee, establishing the Conrail 1991 Equipment Trust A, for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest thereon at the rate of 8.65% per annum from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually, on April 1 and October 1

in each year, commencing October 1, 1991, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any such Interest Payment Date (all terms used herein which are defined in the Equipment Trust Agreement are used herein as so defined) will, as provided in the Equipment Trust Agreement, be paid to the Person in whose name this Certificate (or one or more predecessor Certificates) is registered at the close of business on the Record Date for payment of such interest, which shall be the March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder hereof on such Record Date (or to the Person in whose name this Certificate is registered upon issuance) and may be paid to the Person in whose name this Certificate (or one or more predecessor Certificates) is registered at the close of business on a special record date for the payment of such Defaulted Interest to be fixed by the Equipment Trust Trustee, notice whereof shall be given to Holders of Certificates not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Certificates may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Equipment Trust Agreement.

Except as otherwise expressly provided in the Equipment Trust Agreement, all amounts payable by the Equipment Trust Trustee and the Owner Trustee hereunder, under the Guaranty endorsed hereon and under the Equipment Trust Agreement shall be made only from the income and proceeds of the Equipment Trust Estate. Each Holder hereof, by its acceptance of this Certificate, agrees that (a) it will look solely to the income and proceeds of the Equipment Trust Estate for payment of such amounts, to the extent available for distribution to the Holder hereof as provided in the Equipment Trust Agreement, and (b) none of the Owner Participant, the Owner Trustee in its individual capacity or the Equipment Trust Trustee is or shall be personally liable to the Holder hereof for any amount payable hereunder, under the Guaranty endorsed hereon or under the Equipment Trust

Agreement or, except as expressly provided in the Equipment Trust Agreement in the case of the Equipment Trust Trustee and the Owner Trustee in its individual capacity, for any liability under the Equipment Trust Agreement.

Payment of the principal of, Premium, if any, and interest on, this Certificate will be made at the principal corporate trust office of the Equipment Trust Trustee, or the office or agency maintained by the Equipment Trust Trustee for such purpose ("Paying Agent") in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Paying Agent by check mailed to the address of the Holder entitled thereto as such address shall appear on the Register.

Except as otherwise provided in the Equipment Trust Agreement, Wilmington Trust Company is not acting individually hereunder, but solely as Equipment Trust Trustee under the Equipment Trust Agreement.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Neither this Certificate nor the Guaranty endorsed hereon shall be entitled to any benefit under the Equipment Trust Agreement or be valid or obligatory for any purpose unless this Certificate has been executed on behalf of the Equipment Trust Trustee by the manual or facsimile signature of one of the officers of the Equipment Trust Trustee specified in Section 2.02 of the Equipment Trust Agreement and the attestation of the Equipment Trust Trustee's seal reproduced hereon by the manual signature of one of the officers of the Equipment Trust Trustee specified in the second sentence of Section 2.02(a).

NO EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR INDIVIDUAL RETIREMENT ACCOUNT OR EMPLOYEE BENEFIT PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (HEREINAFTER COLLECTIVELY REFERRED TO AS "ERISA PLANS") MAY ACQUIRE OR HOLD ANY OF THE CERTIFICATES. HOWEVER, CERTAIN GOVERNMENTAL AND NON-ELECTING CHURCH PLANS WHICH ARE NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE ARE NOT ERISA PLANS, AND MAY

THEREFORE ACQUIRE AND HOLD CERTIFICATES. THE ACQUIRING BY ANY PERSON OF ANY CERTIFICATE SHALL BE DEEMED TO CONSTITUTE A REPRESENTATION BY SUCH PERSON TO LESSEE, THE OWNER TRUSTEE, THE OWNER PARTICIPANT AND THE EQUIPMENT TRUST TRUSTEE THAT SUCH PERSON IS NOT AN ERISA PLAN AND THAT SUCH PERSON IS NOT ACQUIRING, AND HAS NOT ACQUIRED, SUCH CERTIFICATE WITH ASSETS OF AN ERISA PLAN.

This Certificate is one of the 1991 Equipment Trust Certificates, Series A, issued pursuant to the Equipment Trust Agreement.

IN WITNESS WHEREOF, the Equipment Trust Trustee has caused this instrument to be duly executed by the manual or facsimile signature of one of officers specified in the Equipment Trust Agreement and its corporate seal to be reproduced hereon and to be attested by the manual signature of one of its authorized officers.

Dated: _____

[Corporate Seal]

WILMINGTON TRUST COMPANY,
not in its individual
capacity but solely as
Equipment Trust Trustee

Attest:

By _____
Title:

By _____
Title:

Form of Reverse of Equipment Certificate

This Certificate is one of a duly authorized issue of Certificates issued and to be issued under the Equipment Trust Agreement, designated as 1991 Equipment Trust Certificates, Series A, limited in aggregate principal amount to \$78,740,000. The Certificates are subject to a mandatory redemption by operation of a sinking fund as described below and in the Equipment Trust Agreement.

Under the Equipment Trust Agreement, legal title to each Item of Equipment leased from the Equipment Trust Trustee (and cash or certain securities or investments permitted by the Equipment Trust Agreement) shall be held by the Equipment Trust Trustee in trust for the equal and ratable benefit of the Holders of the Certificates. For a more complete statement of the terms and provisions thereof, including a statement of the properties thereby conveyed, pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Owner Trustee, the Equipment Trust Trustee and the Holders of the Certificates and the terms upon which the Certificates are, and are to be, executed and delivered, as well as for a statement of the terms and conditions of the trust created by the Equipment Trust Agreement, reference is made to the Equipment Trust Agreement and all supplements and amendments thereto (a copy of which is on file with the Equipment Trust Trustee at its principal corporate trust office). Each Holder hereof agrees by its acceptance of this Certificate to all terms and conditions in the Equipment Trust Agreement.

Notwithstanding anything herein to the contrary, the holding by the Equipment Trust Trustee of legal title to each Item of Equipment is for security purposes only. For all other purposes, the Owner Trustee shall be the owner of each Item of Equipment.

The Certificates are subject to mandatory redemption by operation of a sinking fund as described in clause (F) below and are also subject to redemption, in the other circumstances listed below, in each case on not less than 30 days' nor more than 60 days' notice:

(A) In the event that title to any Railcar identified in Schedule A to the Railcar Purchase Agreement as originally executed is not vested in the Equipment Trust Trustee pursuant to Section 3 of the Participation Agreement and such Railcar is not subjected to the Lease (as evidenced by a Certificate of Acceptance

covering such Railcar) on or before December 31, 1991, there shall be redeemed, in whole or in part, as the case may be, Outstanding Certificates at an aggregate redemption price equal to the sum of (1) an amount equal to the difference between (a) \$78,740,000 and (b) the sum of the aggregate principal components of ETA Rent set forth in Exhibit A to each Lease Supplement and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(B) In the event that an Event of Loss occurs to an Item of Equipment, Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 of the Equipment Trust Agreement on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the Equipment Trust Estate immediately prior to such Event of Loss and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(C) In the event that the Lease with respect to any Item of Equipment is terminated pursuant to Section 9 thereof (unless in either case Lessee shall have elected to assume the obligations of the Owner Trustee under the Equipment Trust Agreement and under the Guaranties pursuant to Section 20 of the Participation Agreement), Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set

forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 of the Equipment Trust Agreement on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the Equipment Trust Estate immediately prior to such Redemption Date, (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date and (3) if such Redemption Date occurs prior to the Premium Termination Date, the aggregate Premium, if any, applicable thereto.

(D) In the event of a refinancing as contemplated by Section 19 of the Participation Agreement, the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of such Certificates, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date, and (3) if such Redemption Date occurs prior to the Premium Termination Date, the Premium, if any, applicable thereto.

(E) In the event that the Owner Trustee gives notice of redemption to the Equipment Trust Trustee pursuant to Section 7.03(e)(ii) of the Equipment Trust Agreement, the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of each Certificate, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date, and (3) (x) if the notice of redemption is given pursuant to clause (a) of such Section 7.03(e)(ii), the Premium, if any, applicable thereto or (y) if the notice of redemption is given pursuant to clause (b) of such Section 7.03(e)(ii), without payment of any Premium.

(F) On each Sinking Fund Payment Date, Outstanding Certificates shall be redeemed in whole or in part by operation of the sinking fund provided in Article 13 of the Equipment Trust Agreement for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the Sinking Fund Principal Payment for such Sinking Fund Payment Date and (2) the aggregate amount of interest accrued and unpaid to such Sinking

Fund Payment Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Sinking Fund Payment Date, but without payment of any Premium.

(G) In the event that Lessee exercises its option to purchase any Item of Equipment prior to the Basic Lease Termination Date pursuant to the first sentence of Section 20 of the Lease (unless Lessee shall have elected to assume the obligations of the Owner Trustee under the Equipment Trust Agreement and under the Guaranties pursuant to Section 20 of the Participation Agreement), Outstanding Certificates shall be redeemed in whole or in part for an aggregate redemption price equal to the sum of (1) an amount equal, as to principal thereof, to the product obtained by multiplying (x) the amount by which (A) the total principal components of ETA Rent as set forth in Exhibit A to the Lease Supplement for the Funding Date on which such Item of Equipment was delivered exceeds (B) all amounts allocated to such Funding Date pursuant to Section 6.07 of the Equipment Trust Agreement on account of payments received by the Equipment Trust Trustee on or before the Redemption Date therefor by (y) a fraction, the numerator of which shall be the Cost of such Item of Equipment and the denominator of which shall be the aggregate Cost of all Items of Equipment delivered on such Funding Date which remain included in the Equipment Trust Estate immediately prior to such purchase and (2) the aggregate amount of interest accrued and unpaid to such Redemption Date on the principal amounts to be redeemed of the Outstanding Certificates to be redeemed wholly or partially on such Redemption Date, but without payment of any Premium.

(H) In the event that Lessee exercises its election to redeem the Certificates pursuant to Section 14 of the Participation Agreement, the Outstanding Certificates shall be redeemed in whole for an aggregate redemption price equal to the sum of (1) 100% of the aggregate unpaid principal amount of such Certificates, (2) the aggregate accrued and unpaid interest thereon to the Redemption Date, and (3) if such Redemption Date occurs prior to the Premium Termination Date, the Premium, if any, applicable thereto.

For purposes hereof:

"Average Life Date" means, with respect to the redemption of any Certificate, the date subsequent to the applicable Redemption Date which is the last day of the period commencing on such Redemption Date and equal in

duration to the Remaining Weighted Average Life of such Certificate.

"Independent Investment Banker" means an independent investment banking institution of national standing appointed by Lessee (who shall be reasonably acceptable to the Owner Participant) on behalf of the Owner Trustee; provided that if the Equipment Trust Trustee shall not have received written notice of such an appointment at least 10 days prior to the applicable Redemption Date or if an Event of Default shall have occurred and be continuing, "Independent Investment Banker" shall mean such an institution appointed by the Equipment Trust Trustee. The fees and expenses of such Independent Investment Banker shall be paid by Lessee.

"Premium" shall mean, with respect to any Certificate to be redeemed in whole or in part on a particular Redemption Date, the amount, if any, by which the sum of the principal amount or portion thereof being redeemed plus the accrued but unpaid interest thereon to such Redemption Date shall be exceeded by the sum of the present values of all remaining scheduled payments of such principal amount or portion thereof and interest thereon (excluding interest accrued from the immediately preceding Interest Payment Date to such Redemption Date) (assuming the redemption on a pro rata basis of all Certificates from time to time pursuant to Clause (F) above on the basis of the entire amount of the applicable Sinking Fund Principal Payments) to the stated maturity of such Certificate computed on a semiannual basis by discounting such payments in accordance with generally accepted financial practices assuming a 360-day year consisting of twelve 30-day months at a discount rate equal to the Treasury Yield, all as determined by the Independent Investment Banker.

"Redemption Date" means (a) in the case of a redemption of Certificates pursuant to Clause (A) above, April 1, 1992; (b) in the case of a redemption of Certificates pursuant to Clause (B) above upon an Event of Loss, the Loss Payment Date; (c) in the case of a redemption of Certificates pursuant to Clause (C) above upon termination of the Lease with respect to any Item of Equipment pursuant to Section 9 thereof, the Termination Date (or, if pursuant to Section 9(e) of the Lease, the Rent Payment Date specified in the second sentence of such Section 9(e)); (d) in the case of a redemption of Certificates pursuant to Clause (D) above, any Rent Payment Date on or after April 1, 1997 which Lessee shall specify by not less than 30 days' prior written notice to

the Equipment Trust Trustee and the Owner Participant; (e) in the case of a redemption of Certificates pursuant to Clause (E) above, the 30th day after the Equipment Trust Trustee shall have received from or on behalf of the Owner Trustee a notice of redemption pursuant to Section 7.03(e)(ii) of the Equipment Trust Agreement; (f) in the case of a redemption of Certificates pursuant to Clause (F) above, the Sinking Fund Payment Date on which such redemption is to occur; (g) in the case of a redemption of Certificates pursuant to Clause (G) above upon the purchase of an Item of Equipment pursuant to the first sentence of Section 20 of the Lease, the Rent Payment Date on which such purchase occurs; and (h) in the case of a redemption of Certificates pursuant to Clause (H) above, the Rent Payment Date specified in the notice to redeem given by Lessee under Section 14 of the Participation Agreement.

"Remaining Weighted Average Life" means, with respect to the redemption of any Certificate at the applicable Redemption Date, the number of years obtained by dividing the then Remaining Dollar-years of such Certificate as of such Redemption Date by the then outstanding principal amount thereof. The "Remaining Dollar-years" of such Certificate as of such Redemption Date means the total of the products obtained by multiplying (i) the amount of each then remaining required payment or prepayment, including payment at final maturity, in respect thereof by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such Redemption Date and the date on which such payment is required to be made, assuming that all Certificates are consistently redeemed on a pro rata basis on each Sinking Fund Payment Date subsequent to such date at a redemption price which includes the full amount of the Sinking Fund Principal Payment for such Sinking Fund Payment Date.

"Sinking Fund Principal Payment" means, for any Sinking Fund Payment Date, the amount set forth in Exhibit B of the Equipment Trust Agreement under the caption "Sinking Fund Principal Payment" opposite such Sinking Fund Payment Date, as such Exhibit shall have been restated pursuant to Section 6.07 of the Equipment Trust Agreement.

"Sinking Fund Payment Date" means a date set forth in Exhibit B to the Equipment Trust Agreement under the caption "Sinking Fund Payment Date".

"Treasury Yield", with respect to any Certificate to be redeemed pursuant to Section 6.02 of the Equipment Trust Agreement on a particular Redemption Date, means a

per annum rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the yield to maturity of the most comparable United States Treasury security as identified by the Independent Investment Banker corresponding in maturity to the Average Life Date of such Certificate or, if there is no such corresponding maturity, an interpolation of maturities, in each case as determined by the Independent Investment Banker based upon the average of the yields to maturity determined from the bid prices as of 10:00 A.M. and 2:00 P.M., New York City time, on the second Business Day preceding such Redemption Date.

If an Event of Acceleration under the Equipment Trust Agreement shall occur and be continuing, the principal of the Certificates may be declared due and payable in the manner and with the effect provided in the Equipment Trust Agreement. If, and only if, such an Event of Acceleration results from an Event of Default by Lessee under the Lease, the Equipment Trust Trustee may declare the Lease to be in default, and may, to the exclusion of the Owner Trustee, exercise one or more of the remedies of the Owner Trustee provided in the Lease.

The Owner Trustee, with funds supplied to it by the Owner Participant, may cure any default by Lessee under the Lease arising from the failure of Lessee to make payments of Basic Rent under the Lease, provided that such failure of Lessee is not the fourth or subsequent consecutive such failure or the seventh or subsequent cumulative such failure. The Owner Trustee may cure any other default by Lessee in the performance of its obligations under the Lease which can be cured by the payment of money alone by making such payment on behalf of Lessee as and to the extent provided in the Equipment Trust Agreement.

The right of the Holder of this Certificate to institute action for any remedy under the Equipment Trust Agreement, including the enforcement of payment of any amount due hereunder, is subject to certain restrictions specified in the Equipment Trust Agreement.

As provided in the Equipment Trust Agreement and subject to certain limitations therein set forth, this Certificate is transferable, and upon surrender of this Certificate for registration of transfer at the principal corporate trust office of the Registrar, or at the office or agency maintained for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form

satisfactory to the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, one or more new Certificates of the same maturity and interest rate and of any authorized denomination and for the same aggregate principal amount will be executed and delivered in the name of the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Equipment Trust Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for a like aggregate principal amount of Certificates of the same maturity and interest rate and of any authorized denomination, as requested by the Holder surrendering the same, upon surrender thereof for such purpose at the principal corporate trust office of the Equipment Trust Trustee, or at any office or agency maintained for such purpose.

No service charge shall be made for any registration of transfer or exchange, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment for registration of transfer of this Certificate, the Owner Trustee, the Equipment Trust Trustee, the Paying Agent, the Registrar, Lessee and the Owner Participant may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of the principal of, Premium, if any, and interest on, this Certificate and for all other purposes whatsoever whether or not this Certificate shall be overdue, and none of the Owner Trustee, the Equipment Trust Trustee, the Paying Agent, the Registrar, nor the Owner Participant shall be affected by notice to the contrary.

As provided in the Equipment Trust Agreement, the Equipment Trust Agreement, the Certificates and the Guaranties shall be construed in accordance with and governed by the laws of the State of New York.

Form of Guaranty of Owner Trustee

GUARANTY

MERIDIAN TRUST COMPANY,
Not in its Individual Capacity but
Solely as Owner Trustee

The undersigned, MERIDIAN TRUST COMPANY, not in its individual capacity but solely as Owner Trustee (the "Owner Trustee"), pursuant to the Equipment Trust Agreement dated as of August 1, 1991 (the "Equipment Trust Agreement") between the Owner Trustee and WILMINGTON TRUST COMPANY, Equipment Trust Trustee, establishing the Conrail 1991 Equipment Trust A (all terms used herein which are defined in the Equipment Trust Agreement being used herein as therein defined), hereby absolutely and unconditionally guarantees that the Holder of the Certificate upon which this Guaranty is endorsed shall receive the due and punctual payment of the principal of, Premium, if any, and interest on, such Certificate, when and as the same shall become due and payable (whether as stated or otherwise) and the due and punctual payment of all other amounts payable to the Holder of such Certificate pursuant to the terms of such Certificate and the Equipment Trust Agreement. This Guaranty is a present and continuing guaranty of payment and not of collectibility. If the Owner Trustee shall at any time become the Holder of such Certificate, then, upon delivery of such Certificate by the Owner Trustee to any transferee thereof, the Guaranty of the Owner Trustee hereinabove set forth shall be deemed to have been reaffirmed and restated as of the date of, and by the act of, such delivery.

Meridian Trust Company is not acting individually hereunder, but solely as Owner Trustee under the Trust Agreement. Each Holder hereof, by its acceptance of this Certificate, agrees that it will look solely to the income and proceeds of the Equipment Trust Estate, to the extent available for distribution to such Holder as provided in the Equipment Trust Agreement, and that the Owner Trustee in its individual capacity shall not be personally liable for any amount payable hereunder.

Unless the Certificate upon which this Guaranty is endorsed has been duly executed on behalf of the Equipment Trust Trustee as specified in the Equipment Trust Agreement,

this Guaranty shall not be effective for any purpose.

IN WITNESS WHEREOF, the Owner Trustee has caused
this Guaranty to be duly executed under its corporate seal.

MERIDIAN TRUST COMPANY,
not in its individual
capacity but solely as
Owner Trustee

By _____
Title:

SINKING FUND PAYMENTS

Sinking Fund Payment Date -----	Sinking Fund Principal Payment -----
4/01/92	\$ 0
10/01/92	0
4/01/93	1,918,770
10/01/93	0
4/01/94	2,084,743
10/01/94	0
4/01/95	2,265,074
10/01/95	0
4/01/96	3,087,626
10/01/96	3,410,527
4/01/97	812,737
10/01/97	2,290,284
4/01/98	3,693,013
10/01/98	1,646,472
4/01/99	2,253,551
10/01/99	1,461,581
4/01/00	1,819,348
10/01/00	1,536,378
4/01/01	1,667,046
10/01/01	2,807,976
4/01/02	814,918
10/01/02	3,013,098
4/01/03	568,422
10/01/03	3,675,549
4/01/04	576,827
10/01/04	6,085,743
4/01/05	848,925
10/01/05	4,236,878
4/01/06	2,926,602
10/01/06	4,412,484
4/01/07	3,078,090
10/01/07	6,096,369
4/01/08	8,532,497
10/01/08	1,118,472

TOTAL	\$78,740,000

Exhibit C to
Equipment
Trust Agreement

ETA RENT
Aggregate of All Funding Dates

Sinking Fund Payment Date -----	Interest Component of ETA Rent Due on Payment Date -----	Principal Component of ETA Rent Due on Payment Date -----
10/01/91	\$ 756,778.89	\$ 0.00
4/01/92	3,405,505.00	0.00
10/01/92	3,405,505.00	0.00
4/01/93	3,405,505.00	1,918,770.00
10/01/93	3,322,518.20	0.00
4/01/94	3,322,518.20	2,084,743.00
10/01/94	3,232,353.06	0.00
4/01/95	3,232,353.06	2,265,074.00
10/01/95	3,134,388.61	0.00
4/01/96	3,134,388.61	3,087,626.00
10/01/96	3,000,848.79	3,410,527.00
4/01/97	2,853,343.50	812,737.00
10/01/97	2,818,192.62	2,290,284.00
4/01/98	2,719,137.84	3,693,013.00
10/01/98	2,559,415.02	1,646,472.00
4/01/99	2,488,205.11	2,253,551.00
10/01/99	2,390,739.03	1,461,581.00
4/01/00	2,327,525.65	1,819,348.00
10/01/00	2,248,838.85	1,536,378.00
4/01/01	2,182,390.50	1,667,046.00
10/01/01	2,110,290.76	2,807,976.00
4/01/02	1,988,845.80	814,918.00
10/01/02	1,953,600.60	3,013,098.00
4/01/03	1,823,284.11	568,422.00
10/01/03	1,798,699.86	3,675,549.00
4/01/04	1,639,732.36	576,827.00
10/01/04	1,614,784.60	6,085,743.00
4/01/05	1,351,576.21	848,925.00
10/01/05	1,314,860.20	4,236,878.00
4/01/06	1,131,615.23	2,926,602.00
10/01/06	1,005,039.69	4,412,484.00
4/01/07	814,199.76	3,078,090.00
10/01/07	681,072.37	6,096,369.00
4/01/08	417,404.41	8,532,497.00
10/01/08	48,373.91	1,118,472.00
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TOTAL	\$75,633,830.42	\$78,740,000.00

Exhibit C to
Equipment
Trust Agreement

ETA RENT
August 21, 1991 Funding Date

Sinking Fund Payment Date -----	Interest Component of ETA Rent Due on Payment Date -----	Principal Component of ETA Rent Due on Payment Date -----
10/01/91	\$ 535,490.02	\$ 0.00
4/01/92	2,409,705.11	0.00
10/01/92	2,409,705.11	0.00
4/01/93	2,409,705.11	1,327,868.00
10/01/93	2,352,274.82	0.00
4/01/94	2,352,274.82	1,442,728.00
10/01/94	2,289,876.83	0.00
4/01/95	2,289,876.83	1,567,524.00
10/01/95	2,222,081.42	0.00
4/01/96	2,222,081.42	2,329,738.00
10/01/96	2,121,320.25	3,399,335.00
4/01/97	1,974,299.01	0.00
10/01/97	1,974,299.01	2,198,680.00
4/01/98	1,879,206.10	2,885,940.00
10/01/98	1,754,389.19	0.00
4/01/99	1,754,389.19	2,253,551.00
10/01/99	1,656,923.11	482,415.00
4/01/00	1,636,058.66	1,771,135.00
10/01/00	1,559,457.08	659,355.00
4/01/01	1,530,939.97	1,594,196.00
10/01/01	1,461,991.00	1,793,900.00
4/01/02	1,384,404.82	459,651.00
10/01/02	1,364,524.91	2,253,551.00
4/01/03	1,267,058.83	0.00
10/01/03	1,267,058.83	3,129,091.00
4/01/04	1,131,725.65	0.00
10/01/04	1,131,725.65	5,208,469.00
4/01/05	906,459.36	0.00
10/01/05	906,459.36	3,626,178.00
4/01/06	749,627.16	0.00
10/01/06	749,627.16	3,734,150.00
4/01/07	588,125.18	1,371,593.00
10/01/07	528,803.78	5,024,818.00
4/01/08	311,480.40	7,201,859.00
10/01/08	0.00	0.00
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TOTAL	\$53,083,425.16	\$55,715,725.00

Exhibit C to
Equipment
Trust Agreement

ETA RENT
September 26, 1991 Funding Date

Sinking Fund Payment Date -----	Interest Component of ETA Rent Due on Payment Date -----	Principal Component of ETA Rent Due on Payment Date -----
10/01/91	\$ 88,618.35	\$ 0.00
4/01/92	398,782.56	0.00
10/01/92	398,782.56	0.00
4/01/93	398,782.56	234,152.00
10/01/93	388,655.49	0.00
4/01/94	388,655.49	254,406.00
10/01/94	377,652.43	0.00
4/01/95	377,652.43	276,413.00
10/01/95	365,697.56	0.00
4/01/96	365,697.56	300,322.00
10/01/96	352,708.64	11,192.00
4/01/97	352,224.59	315,592.00
10/01/97	338,575.23	91,604.00
4/01/98	334,613.36	266,925.00
10/01/98	323,068.85	734,557.00
4/01/99	291,299.26	0.00
10/01/99	291,299.26	410,744.00
4/01/00	273,534.58	0.00
10/01/00	273,534.58	356,814.00
4/01/01	258,102.38	0.00
10/01/01	258,102.38	518,504.00
4/01/02	235,677.08	0.00
10/01/02	235,677.08	546,392.00
4/01/03	212,045.62	0.00
10/01/03	212,045.62	546,458.00
4/01/04	188,411.32	0.00
10/01/04	188,411.32	877,274.00
4/01/05	150,469.22	0.00
10/01/05	150,469.22	610,700.00
4/01/06	124,056.44	0.00
10/01/06	124,056.44	678,334.00
4/01/07	94,718.49	0.00
10/01/07	94,718.49	1,071,551.00
4/01/08	48,373.91	0.00
10/01/08	48,373.91	1,118,472.00
TOTAL	----- \$9,003,544.24	----- \$9,220,406.00

Exhibit C to
Equipment
Trust Agreement

ETA RENT
December 10, 1991 Funding Date

Sinking Fund Payment Date -----	Interest Component of ETA Rent Due on Payment Date -----	Principal Component of ETA Rent Due on Payment Date -----
10/01/91	\$ 132,670.52	\$ 0.00
4/01/92	597,017.33	0.00
10/01/92	597,017.33	0.00
4/01/93	597,017.33	356,750.00
10/01/93	581,587.90	0.00
4/01/94	581,587.90	387,609.00
10/01/94	564,823.81	0.00
4/01/95	564,823.81	421,137.00
10/01/95	546,609.63	0.00
4/01/96	546,609.63	457,566.00
10/01/96	526,819.90	0.00
4/01/97	526,819.91	497,145.00
10/01/97	505,318.38	0.00
4/01/98	505,318.38	540,148.00
10/01/98	481,956.98	911,915.00
4/01/99	442,516.66	0.00
10/01/99	442,516.66	568,422.00
4/01/00	417,932.41	48,213.00
10/01/00	415,847.19	520,209.00
4/01/01	393,348.15	72,850.00
10/01/01	390,197.39	495,572.00
4/01/02	368,763.90	355,267.00
10/01/02	353,398.60	213,155.00
4/01/03	344,179.65	568,422.00
10/01/03	319,595.40	0.00
4/01/04	319,595.40	576,827.00
10/01/04	294,647.63	0.00
4/01/05	294,647.63	848,925.00
10/01/05	257,931.63	0.00
4/01/06	257,931.63	2,926,602.00
10/01/06	131,356.09	0.00
4/01/07	131,356.09	1,706,497.00
10/01/07	57,550.09	0.00
4/01/08	57,550.09	1,330,638.00
10/01/08	0.00	0.00
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TOTAL	\$13,546,861.04	\$13,803,869.00

FORM OF
LETTER OF REPRESENTATIONS

CONSOLIDATED RAIL CORPORATION
(Name of Issuer)

WILMINGTON TRUST COMPANY
(Name of Trustee)

August 20, 1991

The Depository Trust Company
55 Water Street
New York, New York 10041

Attention: General Counsel's Office

Consolidated Rail Corporation \$78,740,000
8.65% 1991 Equipment Trust Certificates,
Series A, due August 1, 2008

Ladies and Gentlemen:

The purpose of this letter is to set out certain matters relating to the above-referenced Equipment Trust Certificates (the "Certificates"). The Wilmington Trust Company is acting as Equipment Trust Trustee (the "Trustee") with respect to the Certificates. The Certificates will be issued pursuant to an Equipment Trust Agreement dated as of August 1, 1991 (the "Equipment Trust Agreement") authorizing the issuance of the Certificates. The Certificates will initially be acquired by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Initial Purchaser") from the Trustee.

The Certificates will initially bear the legend on Exhibit A hereto indicating that such Certificates were originally offered and sold in the United States without registration under the Securities Act of 1933, as amended (the "Act"), and subsequently may be resold in the United States only pursuant to Rule 144A under the Act ("Rule 144A") or in certain other circumstances. The Initial Purchaser will take delivery of the Certificates through the facilities of The Depository Trust Company ("DTC").

No resales of the Certificates may be made, other than to (i) the Issuer, (ii) the Initial Purchaser or (iii) a qualified institutional buyer as defined in Rule 144A, prior to the giving of notice by the Trustee that the Trustee can deliver to the proposed transferee a definitive registered certificate representing the Certificates being resold, pledged or otherwise transferred. The Issuer and the Trustee agree that such notice shall not be given until (i) the Trustee has entered into a FAST Balance Certificate Agreement between the Trustee and DTC, (ii) the Issuer and the Trustee have delivered to DTC a letter of representations substantially in the form attached hereto as Exhibit B and dated as of the date hereof and (iii) the Trustee has become the custodian for DTC of the Certificates registered in the name of Cede & Co.

To induce DTC to accept the Certificates as eligible for deposit at DTC, and act in accordance with its Rules with respect to the Certificates, the Issuer and the Trustee make the following representations to DTC. Each of the following representations shall only be binding upon, and the obligation of, the party or parties specified below in connection with such representation.

1. At or subsequent to closing on the Certificates, which is expected to occur on or about August 21, 1991, there shall be deposited with DTC one Certificate in registered form registered in the name of DTC's nominee, Cede & Co., in the face amount set forth on Schedule A hereto, the total of which represents 100% of the principal amount of the Certificates. If, however, the aggregate principal amount of any Certificate exceeds \$150,000,000, one certificate will be issued with respect to each \$150,000,000 of principal amount and an additional certificate will be issued with respect to any remaining principal amount. Each \$150,000,000 Certificate shall bear the following legend:

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. The Equipment Trust Agreement provides for the solicitation of consents from and voting by holders of the Certificates under certain circumstances. The Issuer or the Trustee shall establish a record date for such purposes and shall, to the extent possible, give DTC notice of such record date.¹

3. In the event of a redemption or any other similar transaction resulting in the retirement of all Certificates outstanding or an advance refunding of all or part of the Certificates outstanding, the Issuer or the Trustee shall send DTC a notice of such event not less than 20 days nor more than 60 days prior to the redemption date or, in the case of an advance refunding, the date that the proceeds are deposited in escrow.

4. In the event of a partial redemption or an advance refunding of part of the Certificates outstanding, the Issuer or the Trustee shall send DTC a notice specifying: (a) the amount of the redemption or refunding; (b) in the case of a refunding, the maturity date(s) established under the refunding; and (c) the date such notice is to be mailed to holders of the Certificates or published (the "Notification Date"). Such notice shall be sent to DTC by a secure means (e.g., legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Notification Date. The Issuer or the Trustee will forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) which includes a manifest or list of each CUSIP submitted in that transmission. The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice. The Notification Date shall be not less than 20 days nor more than 60 days prior to the date that the proceeds are deposited in escrow.

1. Neither DTC nor Cede & Co. provides consents or votes with respect to any security. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s voting rights to those Participants having the security credited to their accounts on the record date (identified in a listing attached to the Omnibus Proxy). The requirement to advise DTC of the record date for the solicitation of consents or voting is set forth in Paragraph 2 of this Letter.

5. All notices and payment advices sent to DTC shall contain the CUSIP number of the applicable Certificates and the accompanying description of such Certificates which, as of the date of this letter, is "Consolidated Rail Corporation 8.65% 1991 Equipment Trust Certificates, Series A".

6. Notices to DTC by telecopy shall be sent to DTC's Call Notification Department at (516) 227-4039 or (516) 227-4190. Notices to DTC by mail or by any other means shall be sent to:

Muni Reorganization Manager
Call Notification Department
The Depository Trust Company
711 Stewart Avenue
Garden City, NY 11530-4719

7. Interest payments and payments of principal that are part of periodic principal-and-interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds on each payment date (or the equivalent in accordance with existing arrangements between the Issuer or the Trustee and DTC). Such payments shall be made payable to the order of Cede & Co.

Absent any other existing arrangements such payments shall be addressed as follows:

Manager: Cash Receipts
Dividend Department
The Depository Trust Company
7 Hanvover Square, 24th Floor
New York, NY 10004-2695

8. Other payments of principal shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds on each payment date. Such payments shall be made in the manner set forth in the SDFS Paying Agent Operating Procedures, a copy of which previously has been furnished to the Trustee.

9. DTC may direct the Issuer or the Trustee to use any other telecopy number or address of DTC as the number or address to which notices or payments of interest or principal may be sent.

10. In the event of a redemption, acceleration, or any other similar transaction (e.g., tender made and accepted in response to the Issuer's or the Trustee's invitation) necessitating a reduction in the aggregate principal amount of Certificates outstanding or an advance refunding of part of the Certificates outstanding, DTC, in its discretion; (a) may request the Issuer or the Trustee to issue and authentic

a new Certificate, or (b) may request the Trustee to make an appropriate notation on the Certificate, indicating the date and amount of such reduction in principal, except in the case of final maturity, in which case the Certificate must be presented to the Issuer or the Trustee prior to payment.

11. DTC may discontinue its services as a securities depository with respect to the Certificates at any time by giving reasonable notice to the Issuer or the Trustee (at which time DTC will confirm with the Issuer or the Trustee the aggregate principal amount of the Certificates outstanding and deposited with it) and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, at DTC's request the Issuer and the Trustee shall cooperate fully with DTC by taking prompt appropriate action to make available Definitive Certificates to any DTC participant having Certificates credited to its DTC account.

12. In the event that the Issuer determines that beneficial owners of Certificates shall be able to obtain Definitive Certificates, the Issuer or the Trustee shall notify DTC of the availability of Definitive Certificates. In such event the Issuer or the Trustee shall issue, transfer, and exchange Definitive Certificates in appropriate amounts, as required by DTC and others.

13. The Issuer and the Trustee acknowledge that so long as Cede & Co. is a record owner of a portion of the Certificates, Cede & Co. shall be entitled to all voting rights applicable to such Certificates and to receive the full amount of all amounts payable with respect to such Certificates. The Issuer and the Trustee acknowledge that DTC shall treat each DTC participant having Certificates credited to its DTC account as entitled to the full benefits of ownership of such Certificates. Without limiting the generality of the preceding sentence, the Issuer and the Trustee acknowledge that DTC shall treat any DTC participant having Certificates credited to its DTC account as entitled to receive payments, and voting rights, if any, in respect of such Certificates and, subject to Paragraph 15 hereof, to receive Definitive Certificates. The Issuer and the Trustee recognize that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Certificates with any of the provisions of Rule 144A or other exemptions under the Act or of any other state or federal securities laws.

14. The Issuer agrees that during any period in which it is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b)

under the Exchange Act, any holder of the Certificates and a prospective purchaser designated by such holder will have the right to obtain from the Company, upon request by such holder, the information required by paragraph (d)(4)(i) of Rule 144A.

15. The Issuer represents that at the time of their initial issuance, the Certificates were not of a class that either was listed on a U.S. securities exchange or was quoted on NASDAQ.

16. This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Very truly yours,

WILMINGTON TRUST COMPANY,
not in its individual
capacity but solely as
Equipment Trust Trustee

By: _____
(Authorized Officer)

CONSOLIDATED RAIL CORPORATION,
as Issuer

By: _____
(Authorized Officer)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____
(Authorized Officer)

cc: Merrill Lynch, Pierce, Fenner
& Smith Incorporated
Shearman & Sterling

THIS CERTIFICATE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS CERTIFICATE MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS CERTIFICATE IS HEREBY NOTIFIED THAT THE SELLER OF THIS CERTIFICATE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS CERTIFICATE, AGREES FOR THE BENEFIT OF CONSOLIDATED RAIL CORPORATION ("CONRAIL") AND THE EQUIPMENT TRUST TRUSTEE THAT (A) THIS CERTIFICATE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO CONRAIL, (2) TO MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, (3) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IN ACCORDANCE WITH RULE 144, (5) IN A TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OR (6) PURSUANT TO SUCH OTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AS MAY BE ACCEPTABLE TO CONRAIL AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF ANY CERTIFICATE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE; PROVIDED THAT NO RESALE, PLEDGE OR OTHER TRANSFER MAY BE MADE PURSUANT TO THE PROVISIONS OF (A)(4), (5) OR (6) ABOVE PRIOR TO THE GIVING OF NOTICE BY THE EQUIPMENT TRUST TRUSTEE THAT THE EQUIPMENT TRUST TRUSTEE CAN DELIVER TO THE PROPOSED TRANSFEREE A DEFINITIVE REGISTERED CERTIFICATE REPRESENTING THE CERTIFICATES BEING RESOLD, PLEDGED OR OTHERWISE TRANSFERRED.

SCHEDULE A

Consolidated Rail Corporation
8.65% 1991 Equipment Trust Certificates, Series A

<u>Series</u>	<u>Principal Amount</u>	<u>Final Distribution Date</u>	<u>Interest Rate</u>
8.65% 1991 Equipment Trust Certificates, Series A	\$ 78,740,000	October 1, 2008	8.65%

LETTER OF REPRESENTATIONS

CONSOLIDATED RAIL CORPORATION
(Name of Issuer)

WILMINGTON TRUST COMPANY
(Name of Trustee)

August __, 1991

The Depository Trust Company
55 Water Street
New York, New York 10041

Attention: General Counsel's Office

Consolidated Rail Corporation \$78,740,000
8.65% 1991 Equipment Trust Certificates,
Series A, due October 1, 2008

Ladies and Gentlemen:

The purpose of this letter is to set out certain matters relating to the above-referenced Equipment Trust Certificates (the "Certificates"). The Wilmington Trust Company is acting as Equipment Trust Trustee (the "Trustee") with respect to the Certificates. The Certificates were issued pursuant to an Equipment Trust Agreement dated as of August 1, 1991 (the "Equipment Trust Agreement") authorizing the issuance of the Certificates. The Certificates were initially acquired by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Initial Purchaser") from the Trustee.

The Certificates will initially bear the legend on Exhibit A hereto indicating that such Certificates were originally offered and sold in the United States without registration under the Securities Act of 1933, as amended (the "Act"), and subsequently may be resold in the United States only pursuant to Rule 144A under the Act ("Rule 144A") or in certain other circumstances. The Initial Purchaser has on August 21, 1991 taken delivery of the Certificates through the facilities of The Depository Trust Company ("DTC").

The Trustee will act as custodian (the "Custodian") for DTC of the Certificate registered in the name of Cede & Co., as nominee for DTC (the "Global Certificate").

To induce DTC to accept the Certificates as eligible for deposit at DTC, and act in accordance with its Rules with respect to the Certificates, the Issuer and the Trustee make

the following representations to DTC. Each of the following representations shall only be binding upon, and the obligation of, the party or parties specified below in connection with such representation.

1. Subsequent to closing on the Certificates, which occurred on August 21, 1991, upon notice and written instruction to DTC by the Company, there shall be deposited with the Custodian on behalf of DTC one Certificate in registered form registered in the name of DTC's nominee, Cede & Co., in the face amount set forth on Schedule A hereto, the total of which represents 100% of the principal amount of the Certificates. If, however, the aggregate principal amount of any Certificate exceeds \$150,000,000, one certificate will be issued with respect to each \$150,000,000 of principal amount and an additional certificate will be issued with respect to any remaining principal amount. Each such Global Certificate shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement between the Trustee and DTC (the "FAST Agreement") and shall bear the following legend:

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. The Equipment Trust Agreement provides for the solicitation of consents from and voting by holders of the Certificates under certain circumstances. The Issuer or the Trustee shall establish a record date for such purposes and shall, to the extent possible, give DTC notice of such record date.¹

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1. Neither DTC nor Cede & Co. provides consents or votes with respect to any security. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s voting rights to those Participants having the security credited to their accounts on the record date (identified in a listing attached to the Omnibus Proxy). The requirement to advise DTC of the record date for the solicitation of consents or voting is set forth in Paragraph 2 of this Letter.

3. Owners of beneficial interests in the Global Certificates may, subject to certain conditions contained in the Equipment Trust Agreement, have the right to obtain a certificate registered in the name of such owners of Certificates (a "Definitive Certificate"). In the event that the Trustee receives notification from DTC that a DTC participant is eligible, pursuant to such conditions, to exercise such right, the Trustee shall accept delivery of the particular Certificates by book-entry transfer from such DTC participant's DTC account to the Trustee's DTC participant account (Account No.). The Trustee shall use DTC's CODX procedures in the manner set forth in the following paragraph to withdraw such Certificates from its account and to decrease DTC's records as to the aggregate principal amount of the Certificates evidenced by such Global Certificate by the principal amount of Certificates withdrawn, and the Trustee shall promptly thereafter issue a Definitive Certificate in an appropriate amount, and registered in the name of such owner, to such DTC participant. Concurrently therewith the Trustee shall make appropriate notations in its records indicating such decrease in the aggregate principal amount of Certificates evidenced by the applicable Global Certificate.

4. In the event of a reduction in the aggregate principal amount of the Certificates evidenced by a Global Certificate, such reduction shall be effected by the Trustee and DTC as follows:

(a) The Trustee shall notify DTC by means of CODX instruction over DTC's Participant Terminal System between the hours of 10:30 A.M. and 2:30 P.M. (New York City time) on the effective date for such decrease setting forth the aggregate principal amount of Certificates represented by the applicable Global Certificate to be decreased. Such CODX instruction shall decrease the Trustee's DTC participant account (Account No.) and DTC's records as to the aggregate principal amount of the Certificates evidenced by such Global Certificate. In the alternative, after notice from DTC to the Trustee that the procedures set forth in this paragraph 4(a) shall be changed, the DTC participant and the Trustee shall use DTC's procedures, as they may change from time to time, to reduce the quantity of the Certificates in the DTC participant's "free" account and to reduce the aggregate principal amount of the certificates evidenced by such Global Certificate. To achieve such reduction in the event to an activity occurring without an election by a DTC participant, the Trustee shall use DTC's procedures, as they may change from time to time, to inform DTC of the reduction in the

aggregate principal amount of the Certificates evidenced by the applicable Global Certificate, and DTC shall reduce the DTC accounts of the appropriate DTC participants in accordance with DTC's procedures then in effect. It is understood that as of the date of this letter of representations, and until further notice, the procedures for reducing the aggregate principal amount of Certificates represented by the Global Certificate are those set forth in the first two sentences of this paragraph 4(a); or

(b) The Trustee shall instruct DTC in writing to reduce the Trustee's DTC participant account and DTC's records as to the aggregate principal amount of the Certificates evidenced by a Global Certificate. Such written instructions shall be hand-delivered and addressed as follows:

Manager, Reorganization Department
Reorganization Window
The Depository Trust Company
7 Hanover Square, 23rd Floor
New York, New York 10041

Concurrently with any action taken pursuant to (a) or (b) above, the Trustee shall make appropriate notations in its records indicating such reduction in the aggregate principal amount of the Certificates evidenced by the applicable Global Certificate.

5. A Holder of a Definitive Certificate representing Certificates which are eligible to be held through DTC may exchange such Definitive Certificate for beneficial interests in the applicable Global Certificate. In the event that the Trustee receives notification that a holder of a Definitive Certificate wishes to make such exchange and is eligible for such exchange, the Trustee shall request from such holder for cancellation of such Definitive Certificate and shall use DTC's Direct Transfer Agent Deposit ("DTAD") procedures in the manner set forth in paragraph 6 to add such Certificates to its account and to increase DTC's records as to the aggregate principal amount of the Certificates evidenced by the applicable Global Certificate by the principal amount of Certificates to be exchanged.

6. In the event of an increase in the aggregate principal amount of the Certificates evidenced by a Global Certificate, the Trustee shall deliver to DTC's Central Delivery Area, window number 8, not later than 12:30 P.M. (New York City time) on the effective date for such increase a completed DTAD form. Such DTAD form shall increase the

Trustee's DTC participation account (Account No.) and DTC's records as to the aggregate principal amount of the Certificates evidenced by such Global Certificate. Concurrently therewith the Trustee shall make appropriate notations in its records indicating such increase in the aggregate principal amount of the Certificates evidenced by such Global Certificate.

7. In the event of a redemption or any other similar transaction resulting in the retirement of all Certificates outstanding or an advance refunding of all or part of the Certificates outstanding, the Issuer or the Trustee shall send DTC a notice of such event not less than 20 days nor more than 60 days prior to the redemption date or, in the case of an advance refunding, the date that the proceeds are deposited in escrow.

8. In the event of a partial redemption or an advance refunding of part of the Certificates outstanding, the Issuer or the Trustee shall send DTC a notice specifying: (a) the amount of the redemption or refunding; (b) in the case of a refunding, the maturity date(s) established under the refunding; and (c) the date such notice is to be mailed to holders of the Certificates or published (the "Notification Date"). Such notice shall be sent to DTC by a secure means (e.g., legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Notification Date. The Issuer or the Trustee will forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) which includes a manifest or list of each CUSIP submitted in that transmission. The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice. The Notification Date shall be not less than 20 days nor more than 60 days prior to the date that the proceeds are deposited in escrow.

9. All notices and payment advices sent to DTC shall contain the CUSIP number of the applicable Certificates and the accompanying description of such Certificates which, as of the date of this letter, is "Consolidated Rail Corporation 8.65% 1991 Equipment Trust Certificates, Series A".

10. Notices to DTC by telecopy shall be sent to DTC's Call Notification Department at (516) 227-4039 or (516) 227-4190. Notices to DTC by mail or by any other means shall be sent to:

Muni Reorganization Manager
Call Notification Department
The Depository Trust Company
711 Stewart Avenue
Garden City, NY 11530-4719

11. Interest payments and payments of principal that are part of periodic principal-and-interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds on each payment date (or the equivalent in accordance with existing arrangements between the Issuer or the Trustee and DTC). Such payments shall be made payable to the order of Cede & Co.

Absent any other existing arrangements such payments shall be addressed as follows:

Manager: Cash Receipts Dividend Department
The Depository Trust Company
7 Hanvover Square, 24th Floor
New York, NY 10004-2695

12. Other payments of principal shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds on each payment date. Such payments shall be made in the manner set forth in the SDFS Paying Agent Operating Procedures, a copy of which previously has been furnished to the Trustee

13. DTC may direct the Issuer or the Trustee to use any other telecopy number or address of DTC as the number or address to which notices or payments of interest or principal may be sent.

14. In the event of a redemption, acceleration, or any other similar transaction (e.g., tender made and accepted in response to the Issuer's or the Trustee's invitation) necessitating a reduction in the aggregate principal amount of Certificates outstanding or an advance refunding of part of the Certificates outstanding, DTC, in its discretion; (a) may request the Issuer or the Trustee to issue and authentic a new Global Certificate, or (b) may request the Trustee to make an appropriate notation on the Global Certificate, indicating the date and amount of such reduction in principal, except in the case of final maturity, in which case the certificate must be presented to the Issuer or the Trustee prior to payment.

15. DTC may discontinue its services as a securities depository with respect to the Certificates at any time by giving reasonable notice to the Issuer or the Trustee (at which time DTC will confirm with the Issuer or the

Trustee the aggregate principal amount of the Certificates outstanding and deposited with it) and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, at DTC's request the Issuer and the Trustee shall cooperate fully with DTC by taking prompt appropriate action to make available Definitive Certificates to any DTC participant having Certificates credited to its DTC account.

16. In the event that the Issuer determines that beneficial owners of Certificates shall be able to obtain Definitive Certificates, the Issuer or the Trustee shall notify DTC of the availability of Definitive Certificates. In such event the Issuer or the Trustee shall issue, transfer, and exchange Definitive Certificates in appropriate amounts, as required by DTC and others.

17. The Issuer and the Trustee acknowledge that so long as Cede & Co. is a record owner of a portion of the Certificates, Cede & Co. shall be entitled to all voting rights applicable to such Certificates and to receive the full amount of all amounts payable with respect to such Certificates. The Issuer and the Trustee acknowledge that DTC shall treat each DTC participant having Certificates credited to its DTC account as entitled to the full benefits of ownership of such Certificates. Without limiting the generality of the preceding sentence, the Issuer and the Trustee acknowledge that DTC shall treat any DTC participant having Certificates credited to its DTC account as entitled to receive payments, and voting rights, if any, in respect of such Certificates and, subject to Paragraph 15 hereof, to receive Definitive Certificates. The Issuer and the Trustee recognize that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Certificates with any of the provisions of Rule 144A or other exemptions under the Act or of any other state or federal securities laws.

18. The Issuer agrees that during any period in which it is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, any holder of the Certificates and a prospective purchaser designated by such holder will have the right to obtain from the Company, upon request by such holder, the information required by paragraph (d)(4)(i) of Rule 144A.

19. The Issuer represents that at the time of their initial issuance, the Certificates were not of a class that either was listed on a U.S. securities exchange or was quoted on NASDAQ.

20. This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Very truly yours,

WILMINGTON TRUST COMPANY,
not in its individual
capacity but solely as
Equipment Trust Trustee

By: _____
(Authorized Officer)

CONSOLIDATED RAIL CORPORATION,
as Issuer

By: _____
(Authorized Officer)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____
(Authorized Officer)

cc: Merrill Lynch, Pierce, Fenner
& Smith Incorporated
Shearman & Sterling

THIS CERTIFICATE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS CERTIFICATE MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS CERTIFICATE IS HEREBY NOTIFIED THAT THE SELLER OF THIS CERTIFICATE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS CERTIFICATE, AGREES FOR THE BENEFIT OF CONSOLIDATED RAIL CORPORATION ("CONRAIL") AND THE EQUIPMENT TRUST TRUSTEE THAT (A) THIS CERTIFICATE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO CONRAIL, (2) TO MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, (3) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IN ACCORDANCE WITH RULE 144, (5) IN A TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OR (6) PURSUANT TO SUCH OTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AS MAY BE ACCEPTABLE TO CONRAIL AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF ANY CERTIFICATE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE; PROVIDED THAT NO RESALE, PLEDGE OR OTHER TRANSFER MAY BE MADE PURSUANT TO THE PROVISIONS OF (A)(4), (5) OR (6) ABOVE PRIOR TO THE GIVING OF NOTICE BY THE EQUIPMENT TRUST TRUSTEE THAT THE EQUIPMENT TRUST TRUSTEE CAN DELIVER TO THE PROPOSED TRANSFEREE A DEFINITIVE REGISTERED CERTIFICATE REPRESENTING THE CERTIFICATES BEING RESOLD, PLEDGED OR OTHERWISE TRANSFERRED.

SCHEDULE A

Consolidated Rail Corporation
8.65% 1991 Equipment Trust Certificates, Series A

<u>Series</u>	<u>Principal Amount</u>	<u>Final Distribution Date</u>	<u>Interest Rate</u>
8.65% 1991 Equipment Trust Certificates, Series A	\$ 78,740,000	October 1, 2008	8.65%

Consolidated Rail Corporation
Conrail 1991 Equipment Trust A

Appendix A to
Participation Agreement, Lease Agreement,
Equipment Trust Agreement and Trust Agreement

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"After-Tax Basis", when referring to any amount, means an amount which, after deduction of all Federal, state and foreign income taxes that are required to be paid by the recipient in respect of the receipt or accrual of such amount, is equal to the payment required to be made under any Operative Document on an After-Tax Basis, calculated using the assumption that the recipient is fully taxable for Federal income tax purposes at the maximum rate of Federal income taxation applicable to corporations at the time such amount is received or properly accrued and, in the case of the Owner Participant, is fully taxable for state tax purposes at the State Rate.

"Agent" means any Paying Agent or Registrar.

"Applicable Law" means all applicable laws (foreign or domestic), treaties, judgments, decrees, injunctions, writs and orders of any court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority, including, without limitation, all rules and regulations of the United States Department of Transportation, the ICC, the Federal Railway Administration and the Association of American Railroads and successor entities.

"Average Life Date" means, with respect to the redemption of any Certificate, the date subsequent to the

applicable Redemption Date which is the last day of the period commencing on such Redemption Date and equal in duration to the Remaining Weighted Average Life of such Certificate.

"Basic Lease Commencement Date", with respect to any Item of Equipment, means April 1, 1992.

"Basic Lease Term" means the period from the Basic Lease Commencement Date to the Basic Lease Termination Date.

"Basic Lease Termination Date" means April 1, 2010.

"Basic Rent" for any Item of Equipment means the rent payable for such Item of Equipment pursuant to the second sentence of Section 3(b) of the Lease, as the same may be adjusted pursuant to Section 3(e) of the Lease, or, during any Renewal Term, the rent payable for such Item of Equipment pursuant to Section 19 of the Lease.

"Beneficial Ownership Interest" means the percentage owned, directly or indirectly, by a Person of: (i) in the case of a corporation, the greater of the combined voting power of all classes of stock or the total value of all classes of stock of the corporation; (ii) in the case of a partnership, the greater of the capital interest or the profits interest of the partnership; or (iii) in the case of a trust or an unincorporated enterprise, the beneficial interest in the trust or unincorporated enterprise.

"Bill of Sale" means a warranty bill of sale for any Item of Equipment in the case of Lessee or a quitclaim bill of sale for any Item of Equipment in the case of the Owner Trustee.

"Book-Entry Certificates" means a beneficial interest in the Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 2.14 of the Equipment Trust Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banking institutions in New York City or Wilmington, Delaware, or Philadelphia or Reading, Pennsylvania, are authorized or required by law, regulation or executive order to be closed.

"Certificate" means each 1991 Equipment Trust Certificate, Series A issued under the Equipment Trust Agreement.

"Certificate of Acceptance" means a Certificate of Acceptance, substantially in the form of Exhibit A to the Lease, to be entered into between Lessor and Lessee for the purpose of evidencing the lease of an Item of Equipment under and pursuant to the terms of the Lease and to be dated the Delivery Date of such Item of Equipment.

"Certificate Owner" means, when used in Section 2.14 of the Equipment Trust Agreement, a Person who owns a Book-Entry Certificate.

"Certificate Purchase Agreement" means the Certificate Purchase Agreement, dated as of August 12, 1991 between Merrill Lynch, Pierce, Fenner & Smith Incorporated and Consolidated Rail Corporation.

"Certificate Rate" means the interest rate applicable to the Certificates at the time Outstanding.

"Claims" means any and all costs, liabilities (including strict or absolute liability without fault in tort, by contract or otherwise), obligations, losses, damages, penalties, actions, suits or claims of any kind or character which may be imposed on, incurred by, suffered by, or asserted against a Person and shall include all reasonable out-of-pocket costs, disbursements and expenses (including reasonable legal fees and expenses) paid or incurred by such Person in connection therewith.

"Class I Railroad" means a Class I carrier within the meaning of 49 C.F.R. Part 1201 or any successor provision, and which in any case shall be a "railroad" as defined in 11 U.S.C. § 1101.

"Class of Equipment" means each class of Items of Equipment specified on Schedule II to the Lease.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom

from time to time a Clearing Agency effects, directly or indirectly, book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means the date of the original issuance and sale of the Certificates.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

"Commitment", with respect to any Item of Equipment, means (i) with respect to the first Funding Date, (a) 15.940000% of the Cost of such Item of Equipment, in the case of Owner Participant, and (b) 84.060000% of the Cost of such Item of Equipment, in the case of the Equipment Trust Trustee, (ii) with respect to the second Funding Date, (a) 16.218495% of the Cost of such Item of Equipment, in the case of Owner Participant, and (b) 83.781505% of the Cost of such Item of Equipment, in the case of the Equipment Trust Trustee, and (iii) with respect to the third Funding Date, (a) 17.432580% of the Cost of such Item of Equipment, in the case of Owner Participant, and (b) 82.567420% of the Cost of such Item of Equipment, in the case of the Equipment Trust Trustee.

"Co-Registrar" has the meaning set forth in Section 2.04 of the Equipment Trust Agreement.

"Cost", with respect to any Railcar or Item of Equipment, as the case may be, means the amount hereinafter set forth for the category in which such Railcar or Item of Equipment is included: (a) with respect to any 60-foot equipped boxcar, \$27,000; (b) with respect to any 86-foot equipped boxcar, \$39,000; (c) with respect to any covered hopper car, \$33,000; (d) with respect to any 52-foot 100-ton gondola, \$30,400; (e) with respect to any open coil steel gondola, \$32,500; (f) with respect to any covered coil steel gondola, \$34,700; and (g) with respect to any high side coal gondola car, \$34,600; provided that such Cost shall in no event exceed the fair market value of such Railcar as of the applicable Funding Date, as determined by the appraisal referred to in Section 4(a)(ii)(E) of the Participation Agreement.

"D'Accord" means D'Accord Financial Services, Inc.

"Defaulted Interest" has the meaning set forth in Section 2.09(b) of the Equipment Trust Agreement.

"Deficiency Amount" means the sum of the daily amounts computed as follows: (a) the aggregate amount of interest due and payable on the Certificates on October 1, 1991 and

April 1, 1992, respectively, divided by (b) the actual number of days in the period to which such Interest Payment Date relates, multiplied by (c) a fraction computed for each such day the numerator of which shall be the aggregate amount of funds which the Equipment Trust Trustee shall have made available on or before such date as its participation in financing the Cost of Items of Equipment pursuant to the Participation Agreement and the denominator of which shall be the aggregate principal amount of the Outstanding Certificates on such date, it being understood and agreed that, for Federal and state income tax purposes, all Investment Proceeds shall be reported as income by Lessee.

"Definitive Certificates" has the meaning set forth in Section 2.14 of the Equipment Trust Agreement.

"Delivery Date" for any Item of Equipment means the Business Day on which such Item of Equipment is delivered to Lessor and leased to Lessee under the Lease, all as evidenced by the execution and delivery of a Certificate of Acceptance.

"Deposited Cash" means the aggregate of (i) cash deposited with the Equipment Trust Trustee as provided by Section 3.01 of the Equipment Trust Agreement and (ii) when required or indicated by the context, any Permitted Investment purchased by the use of such cash pursuant to Section 8.04(b) of the Equipment Trust Agreement.

"EBO Option" means the Lessee's purchase option set forth in the first sentence of Section 20 of the Lease.

"EBO Value" means the total amount payable by Lessee in connection with its exercise of the EBO Option.

"Economic Event of Default" means an Event of Default pursuant to paragraph (a), (b), (f) or (g) of Section 14 of the Lease.

"Equipment Trust Agreement" means the Equipment Trust Agreement dated as of August 1, 1991 between the Owner Trustee and the Equipment Trust Trustee, as the same may be supplemented, amended or otherwise modified from time to time in accordance with the applicable provisions thereof and of the Participation Agreement.

"Equipment Trust Estate" has the meaning set forth in Section 4.03 of the Equipment Trust Agreement.

"Equipment Trust Trustee" means Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity but solely as trustee under the Equipment

Trust Agreement, and each other Person which may from time to time be acting as Equipment Trust Trustee in accordance with the provisions of the Equipment Trust Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

"ERISA Affiliate" means, with respect to Lessee, the Owner Participant or the Owner Trustee, as the case may be, any (i) corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person or (ii) partnership or other trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person.

"ERISA Plan" has the meaning set forth in Section 2.05 of the Equipment Trust Agreement.

"ETA Default" means any event which is or after notice or passage of time, or both, would be an Event of Acceleration.

"ETA Lease Term" has the meaning set forth in Section 5.02 of the Equipment Trust Agreement.

"ETA Rent" has the meaning set forth in Section 5.03 of the Equipment Trust Agreement.

"Event of Acceleration" has the meaning set forth in Section 7.01 of the Equipment Trust Agreement.

"Event of Default" has the meaning set forth in Section 14 of the Lease.

"Event of Loss", with respect to any Item of Equipment, means any of the following events with respect to such Item of Equipment: (i) such Item of Equipment suffers an actual or constructive total loss, (ii) such Item of Equipment becomes worn out or suffers destruction or damage beyond economic repair or such Item of Equipment is rendered permanently unfit for commercial use by Lessee and for the purpose for which it was designed, as determined in good faith by Lessee and evidenced by a certificate of a Responsible Officer of Lessee to such effect, (iii) such Item of Equipment is taken, condemned or requisitioned for title or use for a period exceeding 90 days (or, if shorter, the remainder of the Basic Lease Term) by any governmental authority or (iv) such Item of Equipment is lost, stolen or otherwise disappears for a period exceeding 30 days. The

date of such Event of Loss shall be the date of such loss, wearing out, destruction, damage, becoming unfit, taking, condemnation, requisition, loss, theft or disappearance.

"Excluded Payments" means (i) any right, title or interest of the Owner Trustee in its individual capacity or the Owner Participant and their respective Affiliates, directors, officers, employees, agents, servants, successors and permitted assigns (collectively, the "Related Indemnified Parties") to any payment which by the terms of Section 15 or 16 of the Participation Agreement, Section 5.03 or 7.01 of the Trust Agreement or any section of the Tax Indemnity Agreement or any corresponding payment under Section 3(c) of the Lease shall be payable to the Owner Trustee in its individual capacity or to the Owner Participant (or to the relevant Related Indemnified Party), as the case may be, (ii) any insurance proceeds payable under insurance maintained by the Owner Trustee in its individual capacity or the Owner Participant pursuant to the penultimate sentence of Section 11 of the Lease, (iii) any insurance proceeds payable to the Owner Trustee in its individual capacity or to the Owner Participant or to any related affiliated additional insureds or loss payees (collectively, the "Related Insured Parties"), under any liability insurance maintained by Lessee pursuant to Section 11 of the Lease or by any other Person, (iv) any rights of the Owner Participant or the Owner Trustee (or of the Related Indemnified Parties or Related Insured Parties) to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing amounts, (v) fees payable to the Owner Trustee pursuant to Section 13 of the Participation Agreement, (vi) any amounts payable to the Owner Participant upon the transfer of any of its right, title or interest in the Items of Equipment, Trust Agreement, the Owner Trust Estate or the Tax Indemnity Agreement and (vii) the respective rights of the Owner Trustee in its individual capacity or the Owner Participant (or of the Related Indemnified Parties or Related Insured Parties) to the proceeds of the foregoing.

The "fair market rental value" of an Item of Equipment means an amount determined on the basis of, and shall be equal in amount to, the rental for such Item of Equipment, which would be obtained in an arm's length transaction between an informed and willing lessee and an informed and willing lessor, neither being under any compulsion to lease, which determination shall be made (i) without deduction for any costs of removal of such Item of Equipment from the location of then current use and (ii) on the assumption that such Item of Equipment is free and clear of all Liens and is in the condition and repair in which it is required to be returned pursuant to Section 5 of the Lease; provided,

however, that the determination of fair market rental value for purposes of Section 15(c) of the Lease shall be based on the actual condition of such Item of Equipment at the time of such determination and shall take into account all Liens on such Item of Equipment (other than Lessor's Liens) and any material legal impediments to the prompt leasing of such Item of Equipment, notwithstanding the provisions of clause (ii) of this sentence.

The "fair market sales value" of an Item of Equipment means an amount determined on the basis of, and shall be equal in amount to, the value which would be obtained in an arm's length transaction between an informed and willing purchaser under no compulsion to buy and an informed and willing seller under no compulsion to sell such Item of Equipment, which determination shall be made (i) without deduction for any costs of removal of such Item of Equipment from the location of then current use and (ii) on the assumption that such Item of Equipment is free and clear of all Liens and is in the condition and repair in which it is required to be returned pursuant to Section 5 of the Lease; provided, however, that the determination of fair market sales value for purposes of Section 15(c) of the Lease shall be based on the actual condition of such Item of Equipment at the time of such determination and shall take into account all Liens on such Item of Equipment (other than Lessor's Liens) and any material legal impediments to the prompt sale of such Item of Equipment, notwithstanding the provisions of clause (ii) of this sentence.

"First Renewal Period" means the period of not less than one (1) year determined by Independent Appraisal performed not less than 360 days prior to the Basic Lease Termination Date such that (a) the total of the Interim Lease Term, the Basic Lease Term and such period does not exceed eighty percent (80%) of the then re-estimated useful life of the applicable Items of Equipment and (b) the re-estimated value of the applicable Items of Equipment as at the end of such period, determined without regard to inflation or deflation, shall not be less than twenty percent (20%) of the aggregate Cost of such Items of Equipment.

"Free Storage Period" has the meaning set forth in Section 5(c) of the Lease.

"Funding Date" for any Item of Equipment means the Business Day which is the Delivery Date for such Item of Equipment.

"Guaranty" means the guaranty of the Owner Trustee endorsed on each Certificate, substantially in the form set forth in Exhibit A to the Equipment Trust Agreement.

"Holder" means a Person in whose name a Certificate is registered on the Register.

"ICC" means the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Indemnified Person" has the meaning set forth in Section 16(a) of the Participation Agreement.

"Indemnitee" has the meaning set forth in Section 15(a) of the Participation Agreement.

"Independent Appraisal" means an appraisal mutually agreed to by two nationally recognized independent appraisers, one of which appraisers shall be chosen by Lessor and one by Lessee, or, if such two appraisers cannot agree, an appraisal arrived at by a third nationally recognized independent appraiser chosen by the mutual consent of such two appraisers; provided that, if either party shall fail to appoint an appraiser within 15 days after a written request to do so by the other party, or if such two appraisers cannot agree and fail to appoint a third appraiser within 20 days after the date of the appointment of the second of such appraisers, then either party may apply to the American Arbitration Association to make such appointment. In the event such third independent appraiser shall be chosen to provide such appraisal, unless the parties agree otherwise, such appraisal shall be required to be made within 20 days of such appointment. Fees and expenses relating to an Independent Appraisal shall be payable as follows:

(i) if the Independent Appraisal is to be used in connection with the exercise of remedies upon the occurrence of an Event of Default under the Lease or in contemplation of the possible exercise of a renewal option pursuant to Section 19 of the Lease, all such fees and expenses shall be paid by Lessee;

(ii) if the Independent Appraisal is to be used in connection with the possible exercise of a purchase option pursuant to Section 20 of the Lease, then each party shall bear its respective fees and expenses; provided (A) if an appraisal shall, by agreement of the parties, be conducted by one appraiser only, Lessee shall bear the fees and expenses of such appraiser, or (B) if an appraisal under the Independent Appraisal shall be conducted by more than one appraiser, Lessee shall bear the fees and expenses of the appraiser appointed by Lessee and of the appraiser appointed jointly by the appraiser of Lessee and the appraiser of

Lessor; and provided, further, that if after the utilization of such Independent Appraisal Lessee does not exercise such purchase option, then Lessee shall reimburse Lessor for all fees and expenses paid by Lessor in respect of such Independent Appraisal; and

(iii) in all other instances, each party shall bear (A) its respective expenses with respect to any Independent Appraisal (including the fees and expenses of any appraiser appointed by such party) and (B) one-half of the fees and expenses of the appraisers participating in any Independent Appraisal.

"Independent Investment Banker" means an independent investment banking institution of national standing appointed by Lessee (who shall be reasonably acceptable to the Owner Participant) on behalf of the Owner Trustee; provided, that if the Equipment Trust Trustee shall not have received written notice of such an appointment at least 10 days prior to the applicable Redemption Date or if an Event of Default shall have occurred and be continuing, "Independent Investment Banker" shall mean such an institution appointed by the Equipment Trust Trustee. The fees and expenses of such Independent Investment Banker shall be paid by Lessee.

"Initial Purchaser" means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Interest Payment Date" means each April 1 and October 1, commencing October 1, 1991, so long as any Certificate remains Outstanding.

"Interim Lease Term", with respect to any Item of Equipment, means the period from the Delivery Date of such Item of Equipment to the Basic Lease Commencement Date.

"Interim Rent" means, (a) with respect to either October 1, 1991 or April 1, 1992, the amount by which (i) the aggregate amount of interest due and payable on the Certificates on such Interest Payment Date exceeds (ii) the sum of (x) the Investment Proceeds available to be applied by the Equipment Trust Trustee to the payment of such interest on such Interest Payment Date and (y) the Deficiency Amount in respect of such Interest Payment Date plus (b), on April 1, 1992, the sum of the per diem amounts shown due and payable on such date in Schedule 2 to each of the executed Lease Supplements, to the extent any Items of Equipment have been leased for a period longer than 5 months and 29 days.

"Investment Proceeds" means the net profit, income, interest, dividend or gain actually realized from the making of Permitted Investments of any Deposited Cash.

"Item of Equipment" means each Railcar, the title to which is transferred to the Equipment Trust Trustee, and which is leased to Lessee under the Lease (as evidenced by a Certificate of Acceptance), in accordance with Section 3 of the Participation Agreement.

"Lease" means the Lease Agreement, dated as of August 1, 1991, between Lessor and Lessee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the applicable provisions thereof and of the Trust Agreement and the Equipment Trust Agreement; and each reference to such Lease Agreement shall, unless the context otherwise requires, include a reference to each Lease Supplement then in effect.

"Lease Intermediary Firm" means a firm nationally recognized as having expertise in the structuring and analysis of the leveraged lease financing of transportation equipment who shall be mutually acceptable to Lessor and Lessee and who shall have executed a confidentiality agreement in form and substance satisfactory to Lessor and Lessee.

"Lease Supplement" shall mean each Lease and Equipment Trust Agreement Supplement, substantially in the form of Exhibit B to the Lease, entered into or to be entered into between Lessor and Lessee for the purposes of leasing one or more Items of Equipment, as such Lease Supplement may be amended or otherwise modified from time to time. Each Lease Supplement shall be deemed to incorporate all of the terms and conditions of the Lease.

"Lessee" means Consolidated Rail Corporation, a Pennsylvania corporation, and its permitted successors and assigns.

"Lessor" means the Owner Trustee and its permitted successors and assigns.

"Lessor's Lien" means any Lien arising as a result of (a) claims against or affecting Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, in either case not related to the transactions contemplated by the Lease or the Participation Agreement, or (b) acts or omissions of Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, in either case not related to the transactions contemplated by the Lease or the Participation Agreement or not permitted under the Lease or the Participation Agreement; provided, however, that any Lien which is attributable solely to the Owner Trustee in its individual capacity or the Owner Participant and would

otherwise constitute a Lessor Lien hereunder shall not constitute a Lessor Lien hereunder so long as (1) the existence of such Lien poses no material risk of the sale, forfeiture or loss of any Item of Equipment or any interest therein, (2) the existence of such Lien does not interfere in any way with the use or operation of any Item of Equipment, (3) the existence of such Lien does not affect the priority or perfection of, or otherwise jeopardize, the Lien of the Equipment Trust Agreement, (4) the Owner Trustee in its individual capacity or the Owner Participant, as the case may be, is diligently contesting such Lien by appropriate proceeding and (5) the existence of such Lien does not result in actual interruption in the payment of Rent assigned to the Equipment Trust Trustee for the benefit of the Holders.

"Letter of Representations" means the agreement among Lessee, the Equipment Trust Trustee and the initial Clearing Agency substantially in the form of Exhibit D to the Equipment Trust Agreement.

"Leveraged Equipment Portfolio" has the meaning set forth in Section 14(a) of the Participation Agreement.

"Lien" means any mortgage, pledge, lien, charge, encumbrance, lease, exercise of rights, security interest or claim.

"Loss Payment Date" has the meaning set forth in Section 10(a) of the Lease.

"Net Economic Return" means the Owner Participant's nominal after-tax economic yield utilizing the multiple investment sinking fund method of analysis and aggregate after-tax cash flow and the pattern thereof (but not necessarily the identical cash flows), computed on the same basis and using the same methodology and assumptions utilized by the Owner Participant in determining the amounts payable as Basic Rent, Stipulated Loss Value and Termination Value pursuant to the Lease as originally executed.

"Notice Period" has the meaning set forth in Section 14(a)(iii) of the Participation Agreement.

"Offering Memorandum" means the final Offering Memorandum pursuant to which the Certificates are to be offered to certain qualified institutional buyers, together with all documents incorporated by reference therein.

"Officer's Certificate", with respect to any company, means a certificate signed by the Chairman, the Vice Chairman, the President, any Vice President, any Assistant Vice President or the Treasurer of such company.

"Operative Document" means each of the Lease, each Lease Supplement, any Certificate of Acceptance, the Participation Agreement, the Trust Agreement, the Equipment Trust Agreement, the Railcar Purchase Agreement, the O.P. Guaranty, any Transferee Guaranty, the Certificates, the Tax Indemnity Agreement, and the Title Documents.

"Opinion of Counsel" means a written opinion of legal counsel who, in the case of counsel for Lessee, may be the senior attorney employed by Lessee or other in-house or outside legal counsel designated by Lessee and who shall be satisfactory to the Equipment Trust Trustee and the Owner Participant, or, in the case of legal counsel for the Owner Trustee, may be Prokop & Prokop, or other legal counsel designated by the Owner Trustee and satisfactory to the Equipment Trust Trustee and the Owner Participant.

"Outstanding", when used with respect to Certificates, means, as of the date of determination, all Certificates theretofore authenticated and delivered under the Equipment Trust Agreement, other than:

(a) Certificates theretofore cancelled by the Equipment Trust Trustee or delivered to the Equipment Trust Trustee for cancellation pursuant to Section 2.08 of the Equipment Trust Agreement or otherwise;

(b) Certificates for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Equipment Trust Trustee in trust for the Holders of such Certificates; provided that, if such Certificates are to be redeemed, notice of such redemption has been duly given pursuant to the Equipment Trust Agreement or provision therefor satisfactory to the Equipment Trust Trustee has been made; and

(c) Certificates in exchange for or in lieu of which other Certificates have been authenticated and delivered pursuant to the Equipment Trust Agreement;

provided, however, that in determining whether the Holders of the requisite principal amount of Certificates Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under any Operative Document, Certificates owned by Lessee or any Affiliate of Lessee shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Equipment Trust Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates which the Equipment Trust Trustee knows to be so owned shall be disregarded. Certificates so owned which have

been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Equipment Trust Trustee that the pledgee has the right so to act with respect to such Certificates and that the pledgee is not Lessee or any obligor upon the Certificates or any Affiliate of Lessee or such obligor.

"Overdue Rate" means (a) with respect to any amount which is or will be distributable to the Holders pursuant to the terms of the Equipment Trust Agreement, the rate per annum borne by the Certificates held by such Holders, and (b) with respect to any other amount, the Prime Rate plus 1%.

"Owner Participant" means AT&T Capital Holdings International, Inc., a Delaware corporation, and its permitted successors and assigns.

"O.P. Guaranty" means the guaranty dated as of August 1, 1991 executed by AT&T Capital Corporation in accordance with Section 14 of the Participation Agreement.

"Owner Trust Estate" means all estate, right, title and interest of the Owner Trustee in and to the Items of Equipment, the Lease, including, without limitation, all amounts of Interim Rent, Basic Rent, Supplemental Rent, insurance proceeds (other than any insurance proceeds payable under liability policies to or for the benefit of the Owner Trustee, for its own account or in its individual capacity, the Owner Participant, or the Equipment Trust Trustee) and requisition, condemnation, indemnity or other payments of any kind for or with respect to the Items of Equipment, including, without limitation, any and all payments and proceeds received by the Owner Trustee after the termination of the Lease with respect to any Item of Equipment resulting from the sale, lease or other disposition thereof, subject, however, to the provisions of and the lien created under the Equipment Trust Agreement. Notwithstanding the foregoing, "Owner Trust Estate" shall not include any Excluded Payments.

"Owner Trustee" means Meridian Trust Company, a Pennsylvania trust company, not in its individual capacity, but solely as trustee under the Trust Agreement, and each other Person which may from time to time be acting as Owner Trustee in accordance with the provisions of the Trust Agreement.

"Owner Trustee Request" means a request by the Owner Trustee setting forth the subject matter of the request.

"Participation Agreement" means the Participation Agreement, dated as of August 1, 1991, among Lessee, the

Equipment Trust Trustee (in its individual capacity as expressly provided therein and as trustee), the Owner Participant and the Owner Trustee (in its individual capacity as expressly provided therein and as trustee), as such Participation Agreement may from time to time be supplemented, amended or otherwise modified in accordance with the applicable terms thereof and of the Equipment Trust Agreement.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature, which may from time to time be incorporated or installed in or attached to an Item of Equipment.

"Paying Agent" has the meaning set forth in Section 2.04 of the Equipment Trust Agreement.

"Permitted Investment" means (a) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States of America is pledged, (b) obligations fully guaranteed by the United States of America, (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$500,000,000 (including Lessor in its individual capacity or the Equipment Trust Trustee in its individual capacity if such conditions are met), (d) commercial paper of companies having a rating assigned to such commercial paper by Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's") (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, and (e) repurchase agreements with any financial institutions having combined capital and surplus and retained earnings of at least \$750,000,000 which specify any of the obligations described in clauses (a) through (d) above as collateral acceptable thereunder (including Lessor in its individual capacity and the Equipment Trust Trustee in its individual capacity if such conditions are met); provided that no investment shall be eligible as and included within the definition of the term "Permitted Investment" unless the final maturity or date of return of such investment is equal to or less than one year from the date of purchase thereof.

"Permitted Liens" means Liens referred to in clauses (i) through (vi) of Section 6 of the Lease.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Plan" means any employee benefit plan (within the meaning of Section 3(3) of ERISA and including any multiemployer plan within the meaning of Section 3(37)(A) of ERISA) which has been established or maintained, or to which contributions are or have been made, by Lessee or an ERISA Affiliate.

"Potential Default" means an event which but for the giving of notice or the lapse of time or both would constitute an Event of Default.

"Premium" means, with respect to any Certificate to be redeemed in whole or in part on a particular Redemption Date, the amount, if any, by which the sum of the principal amount or portion thereof being redeemed plus the accrued but unpaid interest thereon to such Redemption Date shall be exceeded by the sum of the present values of all remaining scheduled payments of such principal amount or portion thereof and interest thereon (excluding interest accrued from the immediately preceding Interest Payment Date to such Redemption Date) (assuming the redemption on a pro rata basis of all Certificates from time to time pursuant to Section 6.02(F) of the Equipment Trust Agreement on the basis of the entire amount of the applicable Sinking Fund Principal Payments) to the stated maturity of such Certificate computed on a semiannual basis by discounting such payments in accordance with generally accepted financial practices assuming a 360-day year consisting of twelve 30-day months at a discount rate equal to Treasury Yield, all as determined by the Independent Investment Banker.

"Premium Termination Date" means October 1, 2005.

"Prime Rate" shall mean the rate of interest publicly announced from time to time by Citibank, N.A. in New York as its "base rate."

"Proposed Equipment Cost" means \$94,004,500, being the aggregate of the Cost of the 2,810 Items of Equipment proposed to be leased by Lessee pursuant to the Lease as provided for in the Participation Agreement.

"Railcar" means each railcar rebuilt by the Lessee and described on Schedule A to the Railcar Purchase Agreement.

"Railcar Purchase Agreement" means the Railcar Purchase Agreement, dated as of August 1, 1991, between Lessee and the Owner Trustee relating to the Railcars.

"Record Date" for the interest payable on any Interest Payment Date, means (a) in the case of an Interest Payment Date which is April 1, the preceding March 15, (b) in the case of an Interest Payment Date which is October 1, the preceding September 15 and (c) in the case of the Special Distribution Date, the 15th day (whether or not a Business Day) preceding such Special Distribution Date.

"Redemption Date" means (a) in the case of a redemption of Certificates pursuant to Section 6.02(A) of the Equipment Trust Agreement, April 1, 1992; (b) in the case of a redemption of Certificates pursuant to Section 6.02(B) of the Equipment Trust Agreement upon an Event of Loss, the Loss Payment Date; (c) in the case of a redemption of Certificates pursuant to Section 6.02(C) of the Equipment Trust Agreement upon termination of the Lease with respect to any Item of Equipment pursuant to Section 9 thereof, the Termination Date (or, if pursuant to Section 9(e) of the Lease, the Rent Payment Date specified in the second sentence of such Section 9(e); (d) in the case of a redemption of Certificates pursuant to Section 6.02(D) of the Equipment Trust Agreement, any Rent Payment Date on or after April 1, 1997 which Lessee shall specify by not less than 30 days' prior written notice to the Equipment Trust Trustee and the Owner Participant; (e) in the case of a redemption of Certificates pursuant to Section 6.02(E) of the Equipment Trust Agreement, the 30th day after the Equipment Trust Trustee shall have received from or on behalf of the Owner Trustee a notice of redemption pursuant to Section 7.03(e)(ii) of the Equipment Trust Agreement; (f) in the case of a redemption of Certificates pursuant to Section 6.02(F) of the Equipment Trust Agreement, the Sinking Fund Payment Date on which such redemption is to occur; (g) in the case of a redemption of Certificates pursuant to Section 6.02(G) of the Equipment Trust Agreement upon purchase of an Item of Equipment pursuant to the first sentence of Section 20 of the Lease, the Rent Payment Date on which such purchase occurs; and (h) in the case of a redemption of Certificates pursuant to Section 6.02(H) of the Equipment Trust Agreement, the Rent Payment Date specified in the notice to redeem given by Lessee under Section 14 of the Participation Agreement.

"Refinancing Date" has the meaning set forth in Section 19 of the Participation Agreement.

"Register" has the meaning set forth in Section 2.04 of the Equipment Trust Agreement.

"Registrar" has the meaning set forth in Section 2.04 of the Equipment Trust Agreement.

"Regulations" means the Treasury Regulations, as amended from time to time, promulgated under the Code by the United States Treasury Department.

"Reimbursement Amount" has the meaning set forth in Section 26 of the Lease.

"Remaining Weighted Average Life" means, with respect to the redemption of any Certificate at the applicable Redemption Date, the number of years obtained by dividing the then Remaining Dollar-years of such Certificate as of such Redemption Date by the then outstanding principal amount thereof. The "Remaining Dollar-years" of such Certificate as of such Redemption Date means the total of the products obtained by multiplying (i) the amount of each then remaining required payment or prepayment, including payment at final maturity, in respect thereof by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such Redemption Date and the date on which such payment is required to be made, assuming that all Certificates are consistently redeemed on a pro rata basis on each Sinking Fund Payment Date subsequent to such date at a redemption price which includes the full amount of the Sinking Fund Principal Payment for such Sinking Fund Payment Date.

"Renewal Term", with respect to any Item of Equipment, means any period for which the Lease of such Item of Equipment is extended pursuant to Section 19(a) of the Lease.

"Rent" means Interim Rent, Basic Rent and Supplemental Rent.

"Rent Payment Date" means each April 1 and October 1 during the Term, commencing on the Basic Lease Commencement Date.

"Responsible Officer" means (a) with respect to the Owner Trustee, any officer in the Corporate Trust Administration Department of the Owner Trustee, (b) with respect to the Equipment Trust Trustee, any officer in the Corporate Trust Administration Department of the Equipment Trust Trustee, and (c) with respect to Lessee, the Chief Financial Officer or Treasurer of Lessee or any other delegate of the Chairman and Chief Executive Officer of Lessee working under the direct supervision of such Chief Financial Officer or Treasurer whose responsibilities include the administration of the transactions and agreements contemplated by the Participation Agreement.

"Sinking Fund Principal Payment" means, for any Sinking Fund Payment Date, the amount set forth in Exhibit B of the Equipment Trust Agreement under the caption "Sinking Fund Principal Payment" opposite such Sinking Fund Payment Date, as such Exhibit shall have been restated pursuant to Section 6.07 of the Equipment Trust Agreement.

"Sinking Fund Payment Date" means a date set forth in Exhibit B to the Equipment Trust Agreement under the caption "Sinking Fund Payment Date".

"Special Distribution Date" means, with respect to any redemption pursuant to Section 6.02(E) of the Equipment Trust Agreement, the Redemption Date for such redemption.

"Special Purchase Date" has the meaning set forth in Section 5.06 of the Equipment Trust Agreement.

"Stipulated Loss Value", with respect to any Item of Equipment, means the amount determined by multiplying the Cost of such Item of Equipment by the percentage set forth in Schedule 3 to the Lease Supplement which describes such Item of Equipment opposite the Loss Payment Date on which Stipulated Loss Value for such Item of Equipment is to be paid plus the amount of Premium, if any, with respect thereto; provided, however, that during any Renewal Term applicable to such Item of Equipment, "Stipulated Loss Value" shall be determined as provided in Section 19 of the Lease. Anything contained in the Lease, the Participation Agreement or the Tax Indemnity Agreement to the contrary notwithstanding, Stipulated Loss Value for any Item of Equipment (both before and after any adjustment pursuant to Section 3(e) of the Lease) will, under any circumstances and in any event, be an amount which, together with all other amounts required to be paid by Lessee under the Lease on the relevant Loss Payment Date, will be at least sufficient to pay in full the aggregate redemption price payable with respect to such Item of Equipment pursuant to Section 6.02(B) of the Equipment Trust Agreement.

"Supplemental Rent" means all amounts, liabilities and obligations (other than Interim Rent and Basic Rent) which Lessee assumes or agrees to pay under the Lease, the Participation Agreement, the Tax Indemnity Agreement or any other Operative Document to Lessor, the Owner Participant or others, including, without limitation, payments of Stipulated Loss Value, Termination Value and amounts calculated with reference thereto, indemnity payments pursuant to Sections 15 and 16 of the Participation Agreement, Premium, if any, and amounts payable pursuant to Sections 24 and 26 of the Lease. Supplemental Rent includes, but is not limited to, taxes or charges to be collected from Lessee under the fifth paragraph of Section 2.05 of the Equipment Trust Agreement.

"Tangible Net Worth" shall mean stockholders' equity of any corporation, determined in accordance with generally accepted accounting principles as in effect from time to time, less the aggregate net amount of the following items to the extent, if any, that they were included in assets or deducted from liabilities in computing stockholder's equity: all goodwill, licenses, patents, copyrights, trade names, trade marks and other assets which in accordance with generally accepted accounting principles are deemed intangible.

"Tax Indemnity Agreement" means the Tax Indemnity Agreement, dated as of August 1, 1991, between Lessee and the Owner Participant, as the same may be amended, supplemented or otherwise modified from time to time.

"Tax Law Change" means, in the opinion of independent counsel (which may be Sidley & Austin) (such opinion to be confirmed in writing by such counsel) chosen by the Owner Participant and reasonably satisfactory to the Lessee, an amendment, modification, addition or change in or to the provisions of (a) the Code (including for this purpose any noncodified provisions of legislation affecting the Code such as transition rules or effective date provisions), (b) the Regulations (including temporary and proposed regulations), (c) Internal Revenue Service revenue rulings or procedures, (d) published Internal Revenue Service or United States Treasury Department administrative interpretations or informational releases, (e) applicable judicial precedents or (f) executive orders of the President of the United States, as in effect on the date hereof, the effect of which might preclude the Owner Participant from obtaining any of the income tax benefits assumed to be available to the Owner Participant as set forth in Section 1 of the Tax Indemnity Agreement or which might render invalid any of the other tax assumptions set forth in such Section (including, but not limited to, changes to the applicable statutory tax rate), which amendment, modification, addition or change shall have been enacted, promulgated or issued, or shall have been proposed in any legislation pending before the Ways and Means Committee of the United States House of Representatives or the Finance Committee of the United States Senate.

"Taxes" means any and all license, registration and documentation fees and all taxes, assessments, levies, imposts, duties, charges, fees or withholdings of any nature whatsoever, together with any penalties, fines or interest thereon or other additions thereto, imposed by any Federal, state or local government, political subdivision, or taxing authority in the United States, by any government or taxing authority of or in a foreign country or of or in a territory

or possession of the United States, or by any international authority.

"Temporary Certificates" means Certificates issued to Holders pursuant to Section 2.03 of the Equipment Trust Agreement.

"Term", with respect to any Item of Equipment, means the period comprised by (a) the Interim Lease Term, (b) the Basic Lease Term and (c) if applicable, any Renewal Term for such Item of Equipment.

"Termination Date" has the meaning set forth in Section 9(a) of the Lease.

"Termination Value", with respect to any Item of Equipment, means the sum of (a) the amount determined by multiplying the Cost of such Item of Equipment by the percentage set forth in Schedule 4 to the Lease Supplement which describes such Item of Equipment opposite the Rent Payment Date on which Termination Value is to be paid, plus (b) the amount of Premium, if any, payable on such Rent Payment Date with respect to such Items of Equipment pursuant to Section 6.02(C) of the Equipment Trust Agreement. Anything contained in the Lease, the Participation Agreement or the Tax Indemnity Agreement to the contrary notwithstanding, Termination Value for any Item of Equipment (both before and after any adjustment pursuant to Section 3(e) of the Lease) will, under any circumstances and in any event, be an amount which, together with all other amounts required to be paid by Lessee under the Lease on such Rent Payment Date, will be at least sufficient to pay in full the aggregate redemption price payable with respect to such Item of Equipment pursuant to Section 6.02(C) of the Equipment Trust Agreement.

"Title Documents", with respect to any Item of Equipment, means the Bill of Sale covering such Item of Equipment and, in the case of Title Documents furnished by Lessee, an opinion of counsel of Lessee in the customary form.

"Transaction Costs" means the following out-of-pocket costs, fees and expenses incurred by the Owner Participant, the Owner Trustee and the Equipment Trust Trustee in connection with the negotiation, preparation, execution, delivery, filing and recording of the Operative Documents and the transactions contemplated thereby:

(i) the reasonable fees, expenses and disbursements of (A) Sidley & Austin, special counsel for the Owner Participant, (B) Potter Anderson & Corroon, special counsel for the Equipment Trust Trustee, (C) Prokop & Prokop, special counsel for the Owner Trustee, (D) McCarthy Tetrault, special Canadian counsel, and (E) Shearman & Sterling, special counsel for the Initial Purchaser of the Certificates;

(ii) the cost of filing and recording documents with the ICC and the Registrar General of Canada and filing financing statements;

(iii) the initial fees and expenses of the Equipment Trust Trustee, but not the continuing fees and expenses thereof;

(iv) the initial fees and expenses of the Owner Trustee, but not the continuing fees and expenses thereof;

(v) the cost of the appraisal of the Items of Equipment performed by R. L. Banks & Associates;

(vi) the fees, commission or discounts of the Initial Purchaser of the Certificates;

(vii) other expenses of the private placement of Certificates to the extent not paid by the Initial Purchaser; and

(viii) the fees of D'Accord.

"Transferee" has the meaning set forth in Section 14(a) of the Participation Agreement.

"Transferee Guaranty" means any guaranty executed by an Affiliate of a Transferee in accordance with Section 14 of the Participation Agreement.

"Treasury Yield", with respect to any Certificate to be redeemed pursuant to Section 6.02 of the Equipment Trust Agreement on a particular Redemption Date, means a per annum rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the yield to maturity of the most comparable United States Treasury security as identified by the Independent Investment Banker corresponding in maturity to the Average Life Date of such Certificate or, if there is no such corresponding maturity, an interpolation of maturities,

in each case as determined by the Independent Investment Banker based upon the average of the yields to maturity determined from the bid prices as of 10:00 A.M. and 2:00 P.M., New York City time, on the second Business Day preceding such Redemption Date.

"Trust Agreement" means the Trust Agreement, dated as of August 1, 1991, between the Owner Participant and the Owner Trustee in its individual capacity, as such Trust Agreement may from time to time be supplemented, amended or otherwise modified in accordance with the terms thereof and of the Equipment Trust Agreement.

"Trustee's Lien" means any Lien arising as a result of (i) claims against or affecting the Equipment Trust Trustee (in its individual capacity or as Equipment Trust Trustee) not related to the transactions contemplated by the Equipment Trust Agreement, the Lease or the Participation Agreement, or (ii) acts or omissions of the Equipment Trust Trustee (in its individual or trust capacity) not related to the transactions contemplated by the Equipment Trust Agreement, the Lease or the Participation Agreement or not permitted under the Lease, the Participation Agreement or the Equipment Trust Agreement.

"Uniform Commercial Code" shall mean the Uniform Commercial Code of the State of New York.